

**Testimony of the
New York City Department of Housing Preservation and Development
to the New York City Committee on Housing & Buildings Oversight of**

Introduction 1063-2024

September 30, 2024

SLIDE ONE

Good morning, Chair Sanchez, and members of the New York City Council Committee on Housing & Buildings. My name is Kim Darga, Deputy Commissioner of the Office of Development at the New York City Department of Housing Preservation & Development (HPD). I am also joined by AnnMarie Santiago, Deputy Commissioner of the Office of Enforcement and Neighborhood Services. Thank you for the opportunity to testify about Introduction 1063-2024.

We were proud to work alongside both the Council and our agency partners at DOF and DEP earlier this year to improve the City's property tax enforcement to ensure that there is a balance between the City's need to effectively encourage payment of property taxes, which supports all of the great work we are able to do as a City, and the challenges faced by property owners with paying those bills. Among the improvements we made to cover future tax lien sales were creating new noticing touchpoints and providing funding for intensive, personalized outreach to delinquent owners to help get them back on track with their payments.

As we move forward with this improved tax collection strategy, we should, as we have in the past, recognize that there are some properties that need an alternative approach to enforcement through the sale of the tax lien. Properties with multiple years of unpaid property taxes, water and sewer charges, and other municipal charges which also have a significant number of recent serious housing maintenance code violations are clearly buildings in crisis where the financial distress of a building has impacted the health and safety of the tenants. In addition to tax enforcement, the City has an interest in stabilizing the condition of these properties to keep residents safe in their homes.

This recognition resulted in the establishment of the Third Party Transfer (TPT) program as a companion program to the tax lien sale in 1996 by the New York City Council to meet these two goals. TPT aimed to ensure that distressed properties that were unable to satisfy their tax debt or enter payment plans as a show of financial stability were moved into new ownership through foreclosure.

Unlike traditional foreclosures, TPT transferred properties to an interim owner, Neighborhood Restore HDFC, and then to qualified affordable housing developers for rehabilitation and stabilization with support from HPD. Through TPT residents remained in their homes with affordability and rent stabilization protections. TPT also offered tenants in qualifying buildings who were interested and able to manage a cooperative housing development the option to

petition to become limited equity cooperatives after their buildings were rehabilitated. Since its inception, TPT stabilized over 6,000 homes in approximately 520 properties, improving housing quality and stability for about 15,000 residents.

In response to concerns identified after the most recent round of TPT, a TPT Working Group was convened in 2019 with the purpose of eliciting ideas for operational improvements to ensure that the program was properly focused and achieved its intended purpose to stabilize properties in crisis. The Working Group included elected officials, members of the HDFC Coalition, legal services providers and tenant advocates, M/WBE developers, property management firms, and community-based organizations, with information provided by HPD, the Department of Finance, the Department of Environmental Protection, and the Law Department.

The Working Group issued a report with recommendations in late 2021 suggesting that the program be modified to:

- Include Community Based Organizations (CBOs), the offices of elected officials, and other partners in the outreach program in addition to city agencies.
- Consider providing additional technical assistance to property owners, including possible expansion of the Homeowner Help Desk for 1-4 family homeowners to provide one-on-one technical, financial and legal counseling and the creation of a new Owner Resource Center to provide and expand direct technical assistance and financial support multi-family properties, including rentals and HDFC cooperatives.
- Enhance proactive outreach to each applicable owner before initiating a TPT round, and evaluate whether the amount of time provided to owners to address crisis conditions between initial outreach and foreclosure should be changed.
- Standardize payment plan terms to be the same throughout the in-rem process to avoid overly complicated and confusing pathways to compliance.

The Working Group reviewed and weighed in on several options for selection methodology, the appropriate sources of data, and the criteria for selection and inclusion in the TPT Program. While there were different opinions on many of the options presented, the following recommendations garnered the most support from the Working Group members:

- Eliminate the current statutory “block pick-up,” which requires that all properties of the same tax class on a block owing taxes for a certain period of time be included in the action, and replace it with a more refined selection methodology.
- Employ a selection methodology that balances considerations related to the physical and financial crisis conditions of a building, with a focus on conditions of life and safety.
- Include in the selection process all properties with debt in excess of 1-year (Tax Class 2) or 3-years (Tax Class 1/Co-ops) of their tax liability, with the threshold for inclusion based on a property’s individual annual tax liability and not a citywide threshold.
- Change the selection and inclusion criteria to apply to 1-3 family properties (Tax Class 1), multifamily rentals (Tax Class 2), and co-ops, if such properties exhibit crisis conditions, and excluding 1-3 family properties (Tax Class 1) that have certain homeowner property tax benefits or exemptions that require homeowner occupancy, as filed with DOF.

- Consider allowing HDFC coops to petition to have an opportunity to become an HDFC cooperative again upon meeting certain requirements after transfer.
- Explore transferring properties, in particular Class 1 properties, to Community Land Trusts (CLTs), among other qualified organizations, as the ultimate owner (after the interim ownership stage).

We are pleased that City Council has introduced legislation to modernize the program. The proposed legislation modifies various components of the program, including provisions related to eligibility and selection, outreach, redemption requirements and payment plans. Some of the proposed changes, particularly with regard to eligibility and selection, largely align with recommendations of the working group and HPD supports these changes. Other proposed changes deviate from the Working Group recommendations and raise concerns. We look forward to continuing to work with City Council to refine the legislation.

As the legislation proposes significant changes to eligibility and selection, we want to explain these modifications in depth and provide additional context on the characteristics of the properties that would potentially be included if the City were to commence a round today.

SLIDE 2 summarizes proposed eligibility criteria and proposed selection methodology.

The eligibility would include:

- Tax Class 1 properties and cooperatives with delinquent debt that exceeds three years of owner's annual tax liability
- Tax Class 2 rentals with delinquent debt that exceeds one year of owner's annual tax liability

For each property that meets these basic eligibility criteria, HPD would assign a ranking based on properties with highest to lowest municipal arrears. A separate ranking is assigned based on properties with highest to lowest total open hazardous (class B) and immediately hazardous (class C) violations issued and open within the last 3 years. Then, a score is calculated by multiplying the arrears ranking with the violations ranking.

For the purpose of understanding the impact of the potential eligibility and selection criteria and understanding the characteristics of properties, HPD included the top 500 properties in the analysis to be presented today. However, HPD recommends that the number of properties included in TPT rounds and the frequency of these rounds be determined by HPD rather than statute.

There are about 770,000 class 1 and class 2 residential properties, excluding condos, in New York City. As shown in SLIDE 3, eighty percent of residential properties do not owe property tax or water/sewer charges and did not have any hazardous violations issued between 2020 and 2023 that remain open. SLIDE 4 shows the frequency and level of arrears and violations for residential properties. Of the 770,000 properties, approximately:

- 16% owe property tax and water arrears, to the tune of \$2.1 billion
- 5% have B and C housing violations issued between 2020-2023 that remain open.

- 2.6%, about 20,000 properties, meet the minimum criteria for TPT eligibility

Based on current conditions, an analytical sample of 500 properties in this “balanced model” would include properties with the following characteristics. Based on the TPT analytical sample:

- The properties included in the program would have approximately \$492 million in DOF and DEP arrears, representing about ¼ of all arrears among the relevant class 1 and class 2 properties.
- As shown in SLIDE 5, properties have an average of \$81,000 per unit and an average of \$1 million per building in property tax and water arrears.
- On the housing quality index, properties have \$27 million in Emergency Repair Charges and 54,000 B and C housing code violations issued between 2020-2023 that are still open, representing over 10% of all such violations among the relevant class 1 and class 2 properties.
- As shown in SLIDE 6, properties have an average of 16 B and C violations per unit and an average of 109 B and C violations per building.
- SLIDE 7 shows the size of the round could be less than 500 properties and be effective at capturing buildings with high amounts of municipal debt along with housing code violations, reflecting a cohort for selection with both higher municipal debt and physical distress than the last round of TPT.
- SLIDE 8 shows that the balanced model captures buildings that are included in HPD’s enhanced enforcement programs, such as 7A and AEP. If a TPT round were commenced today, nearly 40% of the properties in the round would also be in enhanced enforcement programs. As HPD has indicated to the Council before, we believe that this program would be an important next step for buildings in 7A or AEP which fail to be responsive to the enforcement tools that those programs bring to bear on properties with serious physical challenges and little financial ability to address those challenges.

END OF SLIDE DECK

While we support Council’s interest in updating the program, and believe the proposed eligibility and selection methodology will identify appropriate properties, there are some areas in the current draft of the legislation as written that we want to flag for further discussion.

Overall, the proposed legislation as written includes changes to requirements around outreach and noticing. While we understand the intention to ensure that all affected owners, residents, and shareholders are informed about the foreclosure risk, some of the proposed changes, including notice earlier in the process and potentially alarming language, could serve to confuse and distress residents whose building may not end up going through the foreclosure process at all. Adding notice requirements, including multiple in person notices, meetings, and personal service, would also require investment of additional resources, and in some cases may not be feasible.

Additionally, there are several areas of the legislation that change the terms and timing of payment plans and a requirement that owners submit corrective action plans. We urge simplicity and consistency with payment plans offered by the Department of Finance during the initial stages of the process to increase transparency, avoid confusion and allow city agencies to deliver the highest standard of customer service.

HPD is fully in support of new legislation that improves the Third-Party Transfer program, but we cannot support this bill as written currently. We are looking forward to working in partnership with Council, our sister agencies, and stakeholders to work through the proposed Housing Rescue and Resident Protection Act to ensure better outcomes for both property owners and the residents in properties in poor financial and physical condition throughout the city.



Testimony Before the New York City Council Committee Regarding the Housing Rescue and Resident Protection Act Bill.

September 30, 2024

Thank you, Chair and members of the Housing & Buildings Committee, for the opportunity to testify. I would also like to extend my gratitude to Council Member Sanchez for her efforts in gathering extensive feedback from various stakeholders and working to amend this program to better serve both tenants and homeowners.

About the Association for Neighborhood and Housing Development (ANHD)

ANHD is one of the City's leading policy, advocacy, technical assistance, and capacity-building organizations. We maintain a membership of 80+ neighborhood-based and city-wide nonprofit organizations that have affordable housing and/or equitable economic development as a central component of their mission. We bridge the power and impact of our member groups to build community power and ensure the right to affordable housing and thriving, equitable neighborhoods for all New Yorkers. We value justice, equity and opportunity, and we believe in the importance of movement building that centers marginalized communities in our work. We believe housing justice is economic justice is racial justice.

ANHD is addressing the proposed reform of the Third Party Transfer (TPT) program, now known as the Housing Rescue and Resident Protection Act. Established in [1996](#), the program aimed to transfer abandoned, distressed, and tax-delinquent properties to third parties for rehabilitation. While it sought to combat New York City's severe housing crisis, its execution raised significant concerns regarding fairness and due process for affected homeowners. Many owners reported [inadequate notification](#) about foreclosure actions, leading to the loss of their homes and equity without proper compensation. Alarming, properties with [minimal tax arrears](#) or those in decent condition were [seized](#), with over a quarter of the last program's properties located in low- and moderate-income co-ops primarily in the Bronx and central Brooklyn.

We commend Councilmember Sanchez and the City Council for addressing important concerns in the Housing Rescue and Resident Protection Act. The act eliminates the "Block Pick-Up" clause that unfairly affected Black and Brown homeowners and prioritizes the most distressed buildings with municipal debt and hazardous violations. It also strengthens outreach efforts to ensure property owners and tenants are informed about their options, while creating pathways for resident ownership through partnerships with qualified third parties.

We see the Housing Rescue and Resident Protection Act as a crucial step in holding negligent landlords accountable and ensuring low-income communities of color can access safe and affordable housing. At ANHD, preserving affordable housing and protecting tenants is central to our mission. It's essential for the City to have an effective mechanism to transfer distressed properties from irresponsible landlords to responsible non-profit preservation purchasers. This Act represents an important move toward transforming the flawed TPT program into a more effective preservation initiative.

As we move through our recommendations for the Act, here are five key areas we would like to address:

- Financial and Technical Support
- Qualified Third-Party Selection Process
- Corrective Action Plans & off-ramps
- Tenant Outreach and Ownership Support
- Interagency Accountability

Financial and Technical Support

Many of ANHD's members are non-profit, mission-oriented developers who have had the experience of receiving and rehabilitating buildings through the TPT program. Our members serve predominantly low-income BIPOC communities, often managing properties with an average rent of just \$1,000. They are particularly vulnerable to recent inflationary pressures, including [rising water and sewage rates](#), [increasing insurance costs](#), and inadequate rent collection coupled with significant rent arrears. With restrictions on raising rents for subsidized units, we are deeply concerned about negative cash flows and insufficient debt service coverage. These factors have put members in difficult financial situations making it difficult to acquire and rehabilitate properties coming through the program. **It is imperative they receive the proper financial support as these organizations are pillars of their communities.**

CDC Testimony:

When it comes to rehabilitating our properties, earning the trust of our tenants is crucial, especially as many have experienced trauma. The challenges we face are significant; while we cannot undertake full gut renovations, we are committed to improving these buildings. Some of these projects are a two-year retrofit, and while HPD is involved in addressing violations, it's frustrating when inspectors come in and enforce the same issues we're already working on. Additionally, the situation feels politically complex, especially since tenants from these communities own the buildings. Despite these obstacles, we are dedicated to improving conditions. We need HPD to foster a collaborative environment--not a punitive one.

In order to enable responsible non-profit developers to receive, rehab, and ensure future affordability in TPT buildings, we recommend the following:

- **Financial and Technical Support § 11-412.1 [(2)] 2** : To support the requirement that qualified

third parties should be financially capable, we suggest the Commissioner of HPD establish guidelines for financial support or incentives for qualified non-profit developers. The criteria for receiving financial support shall be transparent and aimed at enhancing the capacity of non-profit developers to fulfill their missions.

- **Assessing the Definition of Distressed Properties § 11-401 [4.]:** This definition of distressed properties better aligns with the Working Group's definition. We commend the move to end block pick-up and adopt a new methodology for assessing distressed buildings. We recommend that HPD compare real-time data of affordable housing stock with the properties entering the program. This comparison will enhance our understanding of the stock moving through the program and provide insights into potential redemption rates, which may vary over time. Therefore, we suggest that the threshold of 500 be adjusted based on these changing rates.
- **Mutual Understanding of Construction Plans:** Establish procedures to ensure clear and effective communication between HPD and CDCs regarding ongoing construction plans, including mechanisms to prevent the filing of violations on work plans that are already in progress.
- **Support During Rehabilitation Process:** Provide comprehensive relocation support to tenants during the rehabilitation process, including clear communication of plans, access to temporary housing options, financial assistance for moving costs, legal counseling, resources for job placement, and ongoing updates from HPD.

Qualified Third-Party § 11-412.1[(2)] 2

In instances where property owners fail to pay outstanding charges to the City, we recommend that the property be transferred either to the City or to a qualified third party. A **qualified third party** is defined as a not-for-profit organization that is exempt from federal income tax, demonstrates a commitment to providing permanently affordable housing for extremely low, very low, and low-income city residents, engages with the community, and has the capacity to acquire and manage residential properties effectively. It is important to note that non-profit, mission-oriented developers rooted in the communities where these properties are located are the best stewards of permanent affordability and tenant accountability, and should be prioritized within the broader list of qualified third parties for this program. We believe that property meant for affordable housing should not go to a for-profit developer unless no other non-profit developer or community land trust has applied and qualified for it.

Corrective Action Plans & off ramps § 11-425

We would like to address the Corrective Action Plan and commend HPD for including provisions that allow property owners to address open B/C violations. However, several enhancements can be made to improve the process.

- **Extenuating Circumstances for Class 1 Buildings § 11-401:** Apply extenuating circumstances solely to Class 1 buildings, not Class 2 buildings.
- **Tenant Notification:** Tenants should receive the Corrective Action Plan along with contact

information for HPD or DOF, enabling them to report failures in execution or new hazardous violations.

- **Reinstatement Mechanism:** Establish a mechanism for reinstating properties on the list if conditions worsen, without restarting the entire process.
- **Clarification of Consequences:** Clarify the consequences of failing to implement the Corrective Action Plans, including monitoring compliance.
- **Owner Track Record Consideration:** HPD should have the authority to disapprove plans based on the owner's track record to ensure plans are tailored to specific circumstances.
- **Probationary Period for Non-Compliant Landlords:** For landlords with a history of non-compliance, institute a probationary period requiring regular updates on progress to the Council, HPD, and DOF, which should also be shared with tenants.
- **Access to Real-Time Data:** Property owners and agencies should have access to a portal providing real-time data on properties and payment plans to enhance oversight.

By implementing these improvements, we can ensure a more effective and equitable process for all stakeholders involved.

Tenant Outreach and Ownership Support § 11-427

This section details the rights of tenants in properties undergoing in rem foreclosure, including the process for transferring ownership to a third party and the option for tenants to pursue ownership themselves. Proposed changes aim to enhance tenant support by extending the notice period, improving communication methods, emphasizing multilingual accessibility, and providing comprehensive education and resources for both tenants and third-party organizations involved in the ownership transition.

- **Extended Notice Period:** Extend the tenant notice period from 30 days to 60 days following the property transfer to a third party.
- **Comprehensive Support Services:** In addition to relocation assistance, if applicable, and counseling, include access to financial planning workshops to help tenants manage potential changes to their living situations.
- **Enhanced Notices:** Improve notices for foreclosure by including clear information on tenant rights and contact details for inquiries.
- **Alternative Communication Methods:** Incorporate text and email as options alongside mailed copies to improve outreach.
- **Dedicated Communication Portal (Homeowner Help Desk):** Establish an online portal where tenants can access information and submit inquiry, providing a centralized location for resources and updates. This can also be a place for tenants to provide input on the support they receive during the process.
- **Multilingual Public Notices:** Continue providing public notices of foreclosure in multiple languages to enhance inclusivity.
- **Tailored Education Programs:** Develop tailored educational programs that address different demographics within the tenant community, such as seniors or families, to meet their specific needs.

- **Resource Hub for Third-Party Organizations:** Create a resource hub that offers toolkits, best practices, and networking opportunities for third-party organizations to enhance their capacity to support tenants effectively.

Interagency Ambassadors § 21 . Section 1807 of the New York City Charter

We recommend that, while the appointment of a single ombudsperson is a positive first step, it is essential to implement further measures to tackle the existing bureaucracy. Specifically, we suggest the establishment of multiple interagency ambassadors to facilitate navigation between the Department of Finance (DOF), the Department of Environmental Protection (DEP), and the Department of Housing Preservation and Development (HPD). Additionally, cross-training staff from these agencies will ensure a comprehensive understanding of each other's roles and responsibilities, promoting a more streamlined process for property owners and tenants alike.

Closing

We view the Housing Rescue and Resident Protection Act as a crucial step in holding negligent landlords accountable and ensuring that low-income communities of color can access safe and affordable housing. At ANHD, preserving affordable housing and protecting tenants is central to our mission. It is essential for the City to establish an effective mechanism for transferring distressed properties from irresponsible landlords to responsible non-profit preservation purchasers. Together, we can create a more equitable housing system that prioritizes the needs of our communities. We look forward to collaborating with you to ensure safe and affordable housing for all New Yorkers. Thank you.

Please feel free to contact Will Depoo, Senior Campaign Organizer at ANHD (will.d@anhd.org) with any follow-up questions.



October 3, 2024

Dear Council Member Sanchez, members of the Committee on Housing and Buildings and staff,

Thank you so much for accepting our comments on [the Housing Rescue and Resident Protection Act](#) today. We are thrilled that we share a priority for using municipal debt collection as a strategy for tenant protection, increasing cooperative homeownership opportunities and the preservation and development of homes and other community assets. We also share the Council’s urgency to bring a city foreclosure program for distressed properties back online as a tenant protection measure--the longer we don’t have such a program, the more tenants make their homes in buildings that are not safe for their occupancy while landlords shirk their obligations to maintain safe housing.

Our comments on the bill fall into three categories: (1) which properties are included in the city foreclosure program to maximize tenant, neighborhood and citywide impacts, (2) owners’ rights and (3) harnessing the preservation powers of community land trusts (CLTs).

Maximizing Impacts

Limiting City Foreclosure to 500 properties (or any other arbitrary limit) for reasons of administrative limitations should not mean that properties that should rightfully be routed into City control will fall back into the lien sale. We are concerned that this limit will mean that:

- **Tenants continue to live in dangerous conditions** while their landlords collect the rent and don’t pay their municipal charges; sending that debt into the lien sale

pool will forfeit the City's power to control both the timing of enforcement actions by the Tax Lien Trust administrator and the ultimate outcomes for the properties. Tax Lien Trust foreclosures result only in auctions to the highest bidder, not coop conversions or preservation purchases.

- **Vacant land that can be used for housing development or the provision of other City infrastructures will never reach the agencies** with capacity to ensure such transformations.¹
- **Unoccupied buildings will continue to blight our neighborhoods** (without residents to complain about conditions and create a record of violations).
- Opportunities for preservation and development of community assets beyond housing will slip through the City's fingers and fall to predatory actors.

We would like to see these changes made:

- Clarification that any properties that qualify for City Foreclosure based on characteristics of distress will be removed from all lien sales; this removal should be automatic based on set criteria, even if the actual foreclosures are staged and prioritized to honor HPD's capacity limitations.
- Vacant land, no matter the tax class, should be routed directly to City Foreclosure without any reference to violations. Such properties should not be counted as part of any limit on the properties in the program.
- Unoccupied buildings, particularly ones with vacate order issued by the Department of Buildings where the order was not resolved in three years or more, should likewise be routed directly to City Foreclosure without any reference to violations, and regardless of the administrative cap of 500 properties (or similar limit). The City should not allow neighborhoods to suffer the blight of such properties nor waste the opportunity to transform them to deeply affordable housing. The Tax Lien Trust is not an ally to the City when it comes to administering debt on such properties: as we have seen from decades of its past practice, it will not foreclose quickly and if it does, will send the property to auction.
- The program should be expanded to include Tax Class 4 properties since they represent opportunities for the preservation and development of crucial community resources beyond housing.
- Since this is a companion program to the lien sale and the criteria for inclusion in this revamped program will be expanded, the bill should be amended to require

¹ See

<https://www.neweconomy-nyc.org/2021/12/new-analysis-shows-nyc-set-to-squander-3600-potential-units-of-affordable-housing-in-fridays-tax-lien-sale/>.

that properties with outstanding liens sold in past lien sale rounds—those currently held by 1998-2 and 2021-A trusts—be examined for potential inclusion in City Foreclosure based on indications of physical distress. The tax lien trust managers have no accountability to tenants in buildings with liens and neighborhoods with deteriorating buildings. Where such buildings can be routed to more responsible ownership, existing liens should be defected to give the City the opportunity to foreclose instead of the privately managed tax lien trust (which will auction to the highest bidder should it succeed in foreclosure, instead of transferring to HPD-vetted landlords). Such review should happen at every round of City Foreclosure to identify properties that should be routed to the program that might have been previously included in a lien sale.

Owner's Rights

The law should both streamline opportunities and to avoid foreclosure and the waste of City resources, as well as make sure that any City Foreclosure program protects property rights.

First, the City should provide direct **supportive services to HDFC Cooperatives** that are eligible for City Foreclosure as a result of debts and housing code violations. DOF simply meeting with coop shareholders to inform them they have the option to enter into a payment plan is not enough. Frequently the issue that such Cooperatives face is the expiration of a tax exemption; shareholders with supportive services can engage with HPD and get additional exemption in exchange for entering / renewing regulatory agreements. Payment plans for taxes accrued when exemptions have lapsed unbeknownst to the owners will not set the coop on a preservation pathway. There is no need to put the shareholders through foreclosure and force them to reapply to become a cooperative and get a regulatory agreement when simply entering an agreement can result in forgiveness of the property taxes.

At minimum, the bill must **add a requirement that a majority of shareholders and/or the duly elected board of directors have a meeting with HPD staff to discuss the possibility of a retroactive exemption before payment plans or foreclosure are pursued.**

Secondly, we are concerned that the new program will give rise to accusations of equity stripping and be unable to move forward.

The United States Supreme Court recognized that where value remains in a property subject to municipal foreclosure in [Tyler v. Hennepin County \(2022\)](#), the prior owner has a right to that value. Our own framework for municipal debt collection, [Leaving the Speculators in the Rearview Mirror](#), developed prior to the Supreme Court decision, did the same for properties without distress. We think it is fair to extend this practice to all City Foreclosures, and that this is necessary in light of the changing law.

The bill language does not ensure that this will happen. It only ensures that *if* there is a sale of property after foreclosure, funds will flow to the former owner; it does not require

that there be a sale at all.

In some cases properties will be eligible for City foreclosure as a result of municipal debts that are only a fraction of the properties' values. Those same properties may have violations the repair of which cannot be reasonably appraised to account for all remaining value in heated real estate markets. For example a four-unit brownstone property with \$800,000 in past-due municipal charges, and another \$1.5M in repairs could still have a "market value" if it is located in Bed Stuy; appraisals of similar properties are typically \$3-4M.

In contrast, our proposal is that there would be a sale:² preservation would be achieved through the community land trust split deed model. Land would be transferred to a Qualified Community Land Trust (or similar) while the buildings upon that land would be sold to qualified low income buyers, possibly through a wait list or other monitored process; not through a public auction. The price of buildings would be made attainable because it would not include the value of the land, but the price would not be nominal. Long term preservation would be ensured by the terms of the ground lease between the Land Trust and the buyer, and a regulatory agreement with HPD; at the same time, former owners would have access to some of their equity through the proceeds of these restricted property sales.

We urge the Council to look closely at our proposal, or to develop a similar strategy to make sure that **where the City Forecloses on properties with equity remaining after municipal debts and the costs of correcting violations are paid, that equity is made available to the former owners.**

Harnessing the Preservation Powers of Community Land Trusts (CLTs)

The bill as drafted requires HPD to "consider whether" a third party applying for property disposition is a "responsible legal tenant, not-for-profit organization, neighborhood-based-for-profit individual or organization, or community land trust." We think this language should be strengthened to prohibit awarding property to a for-profit entity unless no legal tenant, not-for-profit organization, or community land trust has expressed a willingness to partner with HPD on redevelopment.³

A further improvement would be to require priority to be given to legal tenants, not-for-profit organizations and neighborhood-based-for-profit individuals or organizations **that are partnering with community land trusts** for permanent preservation of affordability over all other potential redevelopment partners HPD considers.

² See page 14: "the City transfers the land to a CLT and the improvements are sold to buyers eligible per ground lease terms. The value of the land will be partial satisfaction for arrears owed to the City by the investor; any funds remaining from the sale of the improvements after remaining debt and cost of foreclosure are paid to go to the former owner."

³ Similar to the language of Public Land for Public Good, [Int. No. 637-2022](#).

Thank you so much for all you do,

The Abolish the Tax Lien Sale Coalition

Members:

Community Service Society of New York
East New York Community Land Trust
New Economy Project
TakeRoot Justice
Western Queens CLT
Brooklyn Level Up
Bronx CLT
Northwest Bronx Community and Clergy Coalition
Coalition for Community Advancement
NYCCLI
MHANY Management Inc.

Endorsers:

NYC Communities for Change
New York Civil Liberties Union
The Center for NYC Neighborhoods

Written Testimony for the New York City Council Committee on Housing and Buildings

Hearing on Int. 1063 Housing Rescue and Resident Protection Act

September 30, 2024

Honorable Chair Sanchez and members of the Committee,

Thank you 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 30,000 cooperative homes across the five boroughs, predominantly in formerly redlined neighborhoods where rates of homeownership continue to lag behind the rest of the city.

While the Third Party Transfer Program (TPT) is a difficult subject matter, we are heartened by the Council's willingness to engage seriously with the issues, and maintain the core values of the program to preserve safe, stable, and affordable housing in our City. It is unacceptable for New Yorkers to live through disinvestment, neglect, and abandonment. **The Housing Rescue and Resident Protection Act will uphold a critical tool to improve the living conditions of residents in aging and distressed buildings, and it will reform past mistakes to ensure the program truly prioritizes the most distressed properties, improves outreach and notice to residents, helps homeowners get back on track before a crisis, and protects them from speculators and scams.** We also believe additional improvements are necessary to make this legislation effective and ready for implementation.

For over 20 years, UHAB has empowered tenants to become homeowners through the Third Party Transfer (TPT) Program. We've transformed over 1,000 distressed TPT rental units into safe and stable homes where residents have the opportunity for affordable homeownership. We know firsthand that affordable homeownership has stabilized tens of thousands of low-income New Yorkers. Our work to support this community living in nearly 1,200 HDFC co-ops has proven time and again that investing in the preservation of affordable housing is the most cost-effective way to create and sustain homeownership on a large scale. Preservation also reaches deeper levels of affordability and ensures that low-income New Yorkers have access to the security, empowerment, and intergenerational wealth building that homeownership provides.

Given this, it's important to recognize that Round X of TPT was particularly traumatizing for so many low and moderate income residents and homeowners, especially those of color in communities targeted for speculation and predatory scams. It will take serious work to not only address the issues, but also rebuild trust with communities and move forward. Round X also produced disparate outcomes that meant tenants who've lived through decades of deferred maintenance and distress are still waiting for repairs and a path forward.

Take for example one of the two Round X projects UHAB has been working with. While one was swiftly transferred to Neighborhood Restore in 2018 and is currently completing construction, the other was challenged by its owner and waited for a State Supreme court ruling for nearly five years. This project is now only beginning to create a scope of work and the residents—who are mostly low-income Black seniors—have been without cooking gas for five years after a 2019 gas shutoff that took place while the building was returned to the former owner. We offer this example to emphasize that deferred maintenance can lead to serious health and safety issues when left unaddressed, and ensuring the swift and legal transfer of buildings in the TPT program is necessary to stabilize conditions and protect residents.

We address the proposed legislation bearing in mind these examples, in order to eliminate such barriers to property stabilization and ensure the security of residents. The Housing Rescue and Resident Protection Act has made necessary changes to the program including:

1. **Focusing on the most physically and financially distressed buildings.** In principle, UHAB agrees that it makes sense to target buildings with high indicators of both financial *and* physical distress to prioritize tenants whose housing is most at risk of critical health and safety factors. However, we would urge the Council to allow agency discretion in the number of buildings to pull for each round, which may fluctuate over time.
2. **Eliminating the “block pickup” requirement.** It is essential that this program targets *only* the most distressed housing. The “block pickup” requirement was an antiquated rule and unfairly targeted small homeowners with far fewer municipal arrears. Retooling the definition of distress and specifying which properties can be selected will ensure only the properties with high indicators of financial and physical distress move through the program.
3. **Improving notice and outreach for owners and residents.** The prospect of foreclosure is a traumatizing event, and is often an avenue for speculators to prey on the vulnerable. Increased notice and outreach to owners and residents is essential to ensure all parties associated with an impacted property understand their rights, responsibilities, and options in the TPT process. It is imperative that owners, HDFC board members, and residents receive adequate and appropriate notice that makes the prospect of municipal foreclosure clear but does not cause undue alarm and panic.
4. **Including community land trusts as qualified third parties.** UHAB is a proud partner and founding member of Interboro CLT, and affirms the need to expand the HPD qualified purchaser list to community-based organizations with interest in preserving community-controlled, affordable homes for future generations.
5. **Restoring the pathway for HDFC cooperatives to reform through the program.** While the overwhelming majority of HDFC cooperatives are healthy, the small proportion of buildings in severe distress should be allowed to reconstitute as new HDFC cooperatives, provided they comply with HPD milestones throughout the process. In 2021, UHAB launched the Co-op Improvement Program, which aims to stabilize approximately 260 at-risk HDFC co-ops through intensive technical assistance, leadership development, and financial guidance. We know through our work that the vast majority of HDFCs with distress indicators do not need the TPT program to get back on track, but for those who have no other way of addressing outstanding

issues, this program is a lifeline that preserves shareholder equity and affirms intergenerational wealth building.

We also believe the bill needs additional improvements to be effectively implemented and accomplish shared goals of creating safe and dignified housing. Specifically, we would like to highlight:

1. **It is of utmost importance that once a building is designated for municipal foreclosure, it is able to move through the TPT program and receive comprehensive repairs as soon as possible.** Imposing a strict timeline will slow down the process and make it more difficult for residents to receive the investments in their homes they desperately need. In order for this program to work, we must ensure the speedy transfer of control to sponsors so they can begin management and emergency repairs. With so many buildings in distressed physical condition, this is essential to tenant health and safety.
2. **We must create off-ramps for HDFC cooperatives that look beyond financial arrears to address governance and long term financial and capital needs planning.** We would propose an additional option where HDFCs work with an HPD-approved monitor to create a Corrective Action Plan. Often, cooperatively-run buildings in physical and financial distress see those symptoms downstream from the root causes of governance issues. Taking a holistic approach will allow buildings to get back on track sooner, meet achievable milestones, and work toward broader goals.
3. **The proposed ability to remove Tax Class 1 properties in an existing HPD loan pipeline from the TPT list should be extended to HDFC cooperatives.** UHAB is currently providing technical assistance to over 40 HDFC co-ops in HPD preservation programs where shareholders are working to address property tax arrears and invest in capital needs, but cannot move forward without adequate City Capital, HPD staffing, and priority for preservation projects. Shareholders making a good faith effort to address tax delinquency and conditions should not be penalized for pipeline delays.
4. **The Third Party Transfer Program is in need of additional capital funding to ensure the pipeline moves smoothly during the next round.** Many projects in Round X waited over five years before a construction loan closing, while buildings sat with deferred maintenance and tenants waited to receive urgently needed capital repairs. If TPT is focused on creating safe and stable housing, the City must be ready to invest in the buildings selected in a timely fashion.
5. **While reform to TPT is a great first step, we must also invest in programs that address the root causes of physical, financial, and organizational distress before a building gets placed on a TPT list.** This is particularly significant for resident-controlled housing models like HDFC cooperatives. We believe the following measures would help target these root causes and prevent foreclosure:
 - a. Additional **capital funding for HPD preservation pipeline programs** like the Green Housing Preservation Program (GHPP) and the Participation Loan Program (PLP). Because HDFC cooperatives do not have a built-in investment point like LIHTC recapitalization at Year 15 and Year 30, it is essential that shareholders be able to access affordable loans to address capital upgrades, building system replacement, as well as energy efficiency and decarbonization measures.

- b. In that vein, the current version of the **HPD cooperative regulatory agreement** is a major barrier for many HDFC cooperatives. HPD must commit to engage directly with HDFC co-ops and advocates to address outstanding issues and work toward a better regulatory document for this essential stock of affordable homeownership.
- c. **More HPD and DEP programs should be expanded to include HDFC cooperatives** and help address physical and financial distress, such as the Unlocking Doors Program, DEP Amnesty Program, and Landlord Ambassador Program (LAP). We are heartened to hear that HPD is already moving to expand LAP to HDFC cooperatives, and hope to see progress in other program areas as well.

These and other reforms will help to ensure that we target the root causes of distress and keep buildings off the TPT list, while allowing for the existing program to function more effectively.

All New Yorkers deserve the right to safe and dignified housing. The City Council's Housing Rescue and Resident Protection Act improves upon the TPT Program with desperately needed fixes to stabilize existing homeowners before they reach the point of foreclosure, while reopening a path to quality housing and ownership for New Yorkers most impacted by legacies of racial disinvestment and redlining. This piece of legislation addresses many of the essential issues, but requires additional tweaks to make it fully effective and ready for implementation. We are eager to continue to dialogue with the Council regarding this essential program.

Thank you again for the opportunity to testify.



Testimony Before the New York City Council Committee on Housing and Buildings: Regarding the New York City Third Party Transfer Program

October 3rd, 2024

Good afternoon. My name is Christie Peale and I am the CEO and Executive Director at the Center for NYC Neighborhoods. I would like to thank Chair Sanchez and the members and staff of the Committee on Housing and Buildings and Oversight and Investigations for holding today's hearing on a revised Third Party Transfer Program. We look forward to continuing to partner with Chair Sanchez and the NYC Council Committee on Housing and Buildings to achieve our mission of promoting and protecting affordable homeownership in New York so that middle- and working-class families can live in strong, thriving communities.

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 our founding in 2008, our network has assisted over 200,000 homeowners. We have provided more than \$60 million in funding to community-based partners. Major funding sources for this work include the New York City Department of Housing Preservation and Development, the Office of the State Attorney General, other public and private funders. Additionally, since 2021, the Center's subsidiary, Sustainable Neighborhoods, has administered the New York State Homeowner Assistance Fund in partnership with New York State Homes and Community Renewal (HCR), which has distributed over \$400 million in federal relief to homeowners affected by the pandemic who are struggling with housing payments.

Affordable Homeownership in New York City

We would like to commend the New York City Council for their efforts on affordable homeownership — bringing forth legislation such as INT 958, increasing funding for estate planning services, and building the Homes Now Campaign. On behalf of everyone at the Center, we are deeply grateful for your championing of New York City's working- and middle-class homeowners and we look forward to working with this council to ensure that New Yorkers have the tools they need to remain and thrive in their homes.

Preserving affordable homeownership is especially important in a city where the racial wealth gap and income inequality have increased significantly over the past decade. It's essential to recognize that while TPT legislation supports our mission to help homeowners maintain livable conditions, we must also clarify how this program differs from previous versions and identify any additional services required for homeowner assistance. In discussing TPT, we must acknowledge that many NYC homeowners find it difficult to afford property taxes, water bills, and other municipal fees. These costs can significantly

burden homeowners trying to manage their properties in the face of rising real estate values and maintenance expenses. Consequently, we should also focus on additional services needed to address these challenges before homeowners engage with programs like TPT. While these implementations go a long way towards realizing this goal, there is still more to be done to confront the many obstacles to affordable and sustainable homeownership in New York today.

The Third Party Transfer Program

Earlier versions of the Third Party Transfer program primarily addressed the need to stabilize distressed multifamily buildings. Few single family homes met the definition of statutory distress that defined TPT eligibility. However, due to discriminatory practices and the inclusion of Block Sweep clause several homes in BIPOC communities were unfairly included in the TPT program¹. Previous iterations of this program disproportionately targeted Black and Brown homeowners who faced financial difficulties in resolving their tax or water bill arrears, but did not have a high level of violations, their homes were not in severe physical distress, and did not owe a significant amount of property taxes. The program's new version takes previous criticisms into consideration and proposes new solutions.

According to [the final report by the TPT working group](#), the goals and intent of the program, in addition to property tax enforcement, were to create and maintain affordable housing by stabilizing properties' physical and financial health, and to keep properties safe, habitable, and affordable for those who live there². This revised, new legislation would allow the city to transfer properties with significant property tax arrears to third party organizations, which typically includes nonprofit organizations, developers, or community land trusts (CLTs). It will also involve administration by the NYC Department of Finance (DOF) and the NYC Department of Housing Preservation and Development (HPD), and the NYC Department of Environmental Protection (DEP).

Through the TPT program, the City forecloses on financially and physically distressed properties and transfers them to a third party for rehabilitation. This bill would expand the definition of distressed properties, create additional notice requirements to property owners and building residents, and provide opportunities for building owners to avoid the transfer of their property in particular circumstances, among other changes to the program.

The Center supports the intent of the Housing Recovery and Residential Protection Act ("HRRPA") in addressing profoundly unsafe housing conditions in buildings whose owners have abandoned their responsibilities, while protecting affordable homeownership. In particular, we commend the council for removing the Block Sweep provision of this bill which allowed previous iterations of the program to negatively impact BIPOC homeowners and communities. We respectfully submit the following recommendations to further help NYC homeowners avoid losing their properties through any tax or municipal foreclosure:

¹ Aponte Irizarry, Claudia. City Task Force to Take Fresh Look at Foreclosure Program. The City. June 14th, 2019. <https://www.thecity.nyc/2019/06/14/city-task-force-to-take-fresh-look-at-feared-foreclosure-program/>

² Third Party Transfer Working Group, TPT Final Report, November 8th 2021. Available at: <https://www.nyc.gov/assets/hpd/downloads/pdfs/services/tpt-working-group-final-report.pdf>

1. Develop a **separate, dedicated pathway and program for Tax Class 1 (“TC1”) properties** through technical and financial assistance, to address the financial and physical challenges that can be harder for smaller buildings to address. We must ensure that homeowner occupied tax class 1 properties are clearly exempt in this new TPT program. While preservation and property distress still should be addressed through this program, we would recommend a difference in approach for TC1 properties. The City has a much more robust toolbox for larger multi-family homes and buildings compared to smaller owner-occupied homes.
2. **Allocate dedicated resources to preserving small homes.** In addition, smaller owner-occupied homes heavily rely on community outreach and there are a limited number of repair resources to address the physical conditions of these properties. To help homeowners avoid physical distress, tax burdens, and the risk of being placed in the tax lien sale or TPT program, additional funding should be directed toward outreach and repair services.
3. **Focus on plain language, transparency, and alignment with the newly enacted Tax Lien Sale Legislation.** The legislation would benefit from a clear definition of owner occupancy that mimics Philadelphia’s Homestead Tax Exemption. The Longtime Owner Occupants program takes into account that owner occupancy can be verified by an affidavit plus two forms of identification or proof of address³.
4. **Increase funding for existing programs that prevent foreclosure and address needed repairs.** These resources can help homeowners avoid more adverse program interventions like TPT or the tax lien sale.
 - a. **Legal and Housing Counseling** offering foreclosure prevention services: These services educate homeowners on the resources available to them and provide them with the necessary tools to prevent losing their homes.
 - b. Outreach through the **Homeowner Help Desk** provides necessary counsel and referrals for technical support and financial services. These resources can facilitate the process of early homeowner outreach to prevent foreclosure due to violations, property tax delinquencies, and water or sewer bill arrears.
 - c. **Estate Planning Services** protect the assets of LMI BIPOC homeowners and address the disproportionate threats to intergenerational wealth transfer. The Black Homeownership Project provides necessary estate planning services with a focus on generational wealth to assist homeowners at risk of losing their homes.
 - d. The **Homefix repair program** (in collaboration with HPD and the City Council) maintains the city’s aging housing stock, achieves financial sustainability, and prevents the displacement of lower-income families and neighbors.
5. **Launch an amnesty program** paired with increased home repair resources to address hazardous conditions or to remove violations —In collaboration with DOB, HPD and DOF — along with repair resources.

³ Santos, Kelly. Philly Homeowners to See Property Tax Bill Increase; City Unveils Plans to Expand Programs to Help. The Philadelphia Tribune. https://www.phillytrib.com/news/local_news/philly-homeowners-to-see-property-tax-bill-increase-city-unveils-plans-to-expand-programs-to/article_73682749-a3a5-5685-9b7a-775ce12818a1.html; <https://www.phila.gov/services/payments-assistance-taxes/payment-plans-and-assistance-programs/income-based-programs-for-residents/set-up-an-owner-occupied-real-estate-tax-payment-agreement-oopa/>; <https://www.phila.gov/documents/homestead-exemption-application/>

Ultimately, for any program such as the HRRPA to be successful in ensuring residents have safe and affordable housing, we must collectively advocate for an **historic level of public investment in NYC's community-based nonprofit organizations** that would take on distressed properties as part of their missions. Any entity that takes on a distressed property has to be well resourced financially to pay for: deferred maintenance and improvements in the properties, public and private collaboration in resident engagement, and technical assistance around property management and ongoing maintenance to prevent hazardous building conditions. The legislation specifically includes Community Land Trusts (CLTs) as eligible owners of distressed properties that go through the municipal foreclosure process. CLTs in particular, as newer organizations, need substantial financial and operational support to facilitate the ownership transfer of distressed buildings that need rehabilitation in the event of a TPT intervention. From our experience as an Interboro CLT partner⁴, we know there are limited funds available for the operations of CLTs and call on the Council **to dedicate funds to support existing CLTs with the ongoing management of community owned property.**

Conclusion

Thank you for the opportunity to testify. We want to emphasize that the Third Party Transfer Program would need sufficient staffing and planning within city agencies, including HPD, the Department of Finance, and Department of Environmental Protection. These measures are crucial to ensuring that New Yorkers have access to safe, healthy, and affordable housing for low- to moderate-income families of color. We look forward to continuing our collaboration with the council and providing feedback on how we can build a more equitable city for all.

⁴ Interboro Community Land Trust, <https://www.interboroclt.org/>

**Testimony by Salvatore D’Avola, Executive Director
Neighborhood Restore Housing Development Fund Corporation
New York City Council Housing and Buildings Committee
Intro 1063
September 30, 2024**

Good afternoon, 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 Sanchez and the committee members for allowing me to testify today. The introduction of this bill is a critical step forward in creating a renewed path to addressing the needs of our most vulnerable residents who live in physically and financially distressed properties across New York City. For the past 5 years, with a pause on municipal foreclosures, there have been limited options available to the City to take effective control of properties where negligent landlords fail to provide essential services and continue to subject their tenants to hazardous and life-threatening conditions. We are therefore thankful to Councilperson Sanchez and the City Council for spearheading this effort. We support many aspects of the bill and look forward to continuing a dialogue on issues of concern as you seek input on the legislation.

The last time the City of New York made significant changes to its foreclosure process was 28 years ago. Local Law 38 of 1996 called for the City to transfer distressed properties directly to responsible new ownership without the City first taking title. The legislation was the outgrowth of a study commissioned by the Department of Housing Preservation and Development (“HPD”) which showed that foreclosed, or “in rem” properties remained in city-ownership for far too long and that large City agencies were not effective in addressing the needs of the residents in distressed properties. By transferring properties directly to a third party, corrective action could be taken quickly and efficiently to address repair needs and provide safe and affordable homes for its tenants. The effectuation of that legislation was the Third-Party Transfer (“TPT”) Program.

Neighborhood Restore is a twenty-five-year-old mission-driven nonprofit organization specifically created to oversee the management of properties foreclosed upon by the City of New York through TPT. As a supporting organization of two nationally renowned affordable housing nonprofits, the Local Initiatives Support Corporation (“LISC”) and Enterprise Community Partners, and with the support of HPD, Neighborhood Restore has improved the quality-of-life of thousands of low-income families by ensuring that they are living in decent and safe homes. As the temporary steward of these properties, we work in close collaboration with our community-based partners to ensure that the most urgent and hazardous conditions are addressed, that tenants are not displaced, and that rents remain affordable. Neighborhood Restore brings a quarter century of experience and knowledge that makes it uniquely qualified to manage the most distressed housing in New York City.

By taking title on an interim basis, Neighborhood Restore provides its community-based organizations the time and opportunity to establish relationships with the tenants, assess the physical needs of the buildings, secure rehabilitation financing and prepare for the final transfer, where they oversee the construction and re-occupancy of the buildings by the existing tenants.

During Neighborhood Restore's interim ownership, these organizations act as our property managers and handle the day-to-day management of these properties.

Since 1999, 594 properties with over 7,500 units of housing located throughout New York City's five boroughs have been included in the TPT Program. To date, 34 properties remain in Neighborhood Restore's ownership with 544 properties having successfully transferred to long-term locally based for-profit, community-based non-profit and tenant-based ownership. With the transfer of these properties to responsible qualified sponsors/owners, the residents live in newly renovated homes with affordable rents that are regulated in perpetuity.

While highlighting the achievements in transitioning physically and financially distressed properties into affordable community assets, I would be remiss if I didn't acknowledge the concerns and criticisms raised about some aspects of the TPT Program. While the vast majority of in rem foreclosed properties are multifamily privately-owned occupied buildings, vacant land and vacant buildings that are blights to their communities have also been included, as have housing development fund corporation cooperatives (more commonly known as "HDFC coops") and small homes. The inclusion of some properties during the last round of in rem foreclosures in 2018 and 2019 led many elected officials, advocates and community groups to stress the need to update various components of the Program. A working group was convened to illicit ideas for operational improvements, ensure that the Program seeks to achieve the stabilization of properties in crisis and contemplate changes in the criteria for inclusion in TPT. I am happy to see that this legislation includes some of the recommendations brought forth from the working group and am hopeful that through continued conversations additional findings are incorporated into a revamped program.

We understand the difficulty in crafting legislation that seeks to address concerns related to different types of properties and ownership structures. It is important to provide safeguards to protect owners who find themselves in financial crisis and need time and assistance to get back on track to allow their properties to remain in their ownership. However, it is equally important, not to create escape hatches for negligent landlords who take advantage of the system by forestalling foreclosure without any real effort at addressing their tenants' suffering. The legislation must strike a balance, with greater consideration for the needs and rights of residents living in deplorable conditions.

Despite issues raised about the City's in rem foreclosure process, the TPT Program has been an effective anti-displacement and anti-abandonment effort that has increased the quality of affordable housing for New York City's low-income families and, in turn, has fostered neighborhood stabilization. The proposed legislation is a good effort at improving the Program by making it more responsive to the needs of the City's residents and neighborhoods.

Thank you for your time and interest in our work. I am happy to answer any questions.

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September 30, 2024

New York Apartment Association Testimony on Int. 1063-2024

Thank you for holding this hearing today. I am Adam Roberts, testifying on behalf of the New York Apartment Association (NYAA). NYAA is a newly formed trade group representing multifamily housing providers across NYC. Our diverse membership consists of long-term owners and operators of rental housing. They collectively provide more than one million units of rental housing, most of which are subject to rent-stabilization and built before 1974, meaning they do not receive 421a or other subsidies. Our mission is to ensure the rental housing stock is abundant, safe, and desirable to live in so that New York can be affordable for generations to come. We are here to testify on Int. 1063-2024.

We would like to thank the Council for reevaluating the Third-Party Transfer (TPT) Program, though changes in the bill would not improve the program. The vast majority of our members pay their taxes on time and operate buildings with low violation counts that are not in distress. Therefore, the TPT transfer program likely will not impact their operations. Nevertheless, our members understand why this program is necessary to hold bad actors accountable, as their failure to pay makes it more costly for all building owners.

Regarding the specifics of the bill, the bill codifies one of the most unjust aspects of the program, which is the seizure of property for “tax liens.” The new definition of unpaid tax liens is dangerously low, only “one year of the owner’s annual tax liability.” This effectively puts any building behind on paying their taxes in danger.

Additionally, this bill would increase the number of buildings at risk of being seized. The bill requires HPD to maintain a list of “no fewer than 500 properties” behind on just a single year’s taxes. Buildings are subject to the list based on “multiplying the property’s municipal debt by the property’s total open hazardous and immediately hazardous maintenance code violations.” This formula does not account for the size of a building, as these are not violations per unit or resident. It also fails to consider the tax burden, such as the ratio of municipal debt to income.

While clear steps are set forth on methods to cure, doing so will be impossible for most buildings. The bill states that “a default may be cured upon payment, within 60 days from the date of default”. Few buildings that go into default will be able to make such a payment so quickly, since they are in default due to their inability to pay.

Based on the manner in which the previous program was run, and the new tenant opportunity to purchase provisions in this bill, it is evident that the Council seeks to transfer these buildings to tenant and nonprofit ownership. However, transferring ownership will not change the fact that these buildings lack the income to pay taxes, water bills, or fix violations. The rents will still be too low to do that, regardless of who owns the building.

Looking at HPD’s Alternative Enforcement Program (AEP), the agency’s program for buildings unable to fix violations, 14% of buildings subject to the program are HDFCs. Three percent of all



HDFCs are now in the AEP, and 80% of HDFCs in the AEP have rent-stabilized units. Even upon conversion to HDFCs, tenant owners face the same structural problem other owners of rent-stabilized housing face. Not surprisingly, 76% of buildings on the AEP are rent-stabilized.

Without structural reform, such as legalizing the ability to recoup the cost of renovations, allowing for rents to keep pace with inflation, shifting the tax burden away from rent-stabilized housing, and collecting unpaid rent in housing court, the new owners of these buildings will fail as the previous ones did. Instead of pursuing this bill, the Council should pursue real solutions to fund these buildings, like a diversion program in housing court for non-payment cases.

We look forward to working with the Council to address the structural underlying financial issues facing rent-stabilized housing. Thank you.



**Testimony of Enterprise Community Partners
The New York City Council Committee on Housing & Buildings
Oversight – Third-Party Transfer Program & Int. 1063**

September 30, 2024

My name is Patrick Boyle, and I am a Senior Director at Enterprise Community Partners. Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since our New York office opened in 1987, we have committed more than \$5.3 billion in equity, loans and grants to affordable housing and community to create or preserve over 84,000 affordable homes across New York State.

On behalf of Enterprise, I want to thank Chair Sanchez and the members of this Committee for the opportunity to deliver testimony about this critically important program.

Background

Since its inception in 1996, the Third-Party Transfer (TPT) program has been an important tool not just for tax enforcement, but also for addressing building conditions affecting the quality of life and safety of residents, as well as a pathway to creating affordable housing. As one of the organizations that played a leading role in informing the creation and structure of the TPT program, and as a member of the 2021 Working Group that released a set of recommendations, Enterprise is heavily invested in the program's future and success.

As you know, there were concerns around how properties were included in the program, and we shared those concerns. To that end, we are pleased that Int. 1063 has been introduced and TPT can be relaunched.

Int. 1063 Overview

Int. 1063 takes clear measures to be responsive to the chief concerns over TPT. Overall, it is a significant step in the right direction toward a more targeted, and transparent program for owners and residents. The remainder of this testimony will respond to specific provisions and language in the bill.

Int. 1063 - On Methodology

A primary flaw in the prior iteration of the Third-Party Transfer program was the so-called “block pick-up requirement” which swept up all properties in a geographic block into the program if individual properties on that block qualified. This resulted in properties with low municipal arrears being included in rem foreclosure and TPT.

Successful reform of TPT must at minimum do away with the block pick-up requirement in favor of a refined and sound methodology. Int. 1063 accomplishes this goal. The methodology treats Class 1 and Class 2 properties separately and includes criteria for tax arrears that ensures only properties with meaningful tax debts are in consideration. From there, the proposed formula focuses the distressed status only on the worst-offending properties with respect to violations. In all, the legislation’s approach to what constitutes “a distressed property” addresses prior concerns regarding unfairness and the inclusion of properties unsuitable for TPT intervention.

Int. 1063 – On Interim and Long-Term Ownership

Amid a severe ongoing affordable housing crisis, TPT provides an additional pathway to support properties in financial and physical distress towards responsible stewardship, improved conditions, and affordable housing commitments through regulatory agreements with the NYC Housing, Preservation & Development (HPD).

While bringing properties into affordable housing programs is an important goal, the immediate needs of the residents living in these properties must be the foremost concern. In many instances, families in distressed properties will have been living in unacceptable or even dangerous conditions for years.

To that end, the sole consideration of which entities or organizations should qualify for involvement in the TPT program, either in the role of interim owner or long-term owner beyond the interim period, should be based on the entities expertise, capacity and competencies to clear violations, develop a scope of work for major rehab, work to meet residents’ needs and work through complicated legal in rem processes. Legislation should not define who these entities should be but rather this should be determined by the agency charged with oversight over the program as they have the mechanisms to determine the related competencies and assessment of qualifications.

In addition, we are concerned with bill language which allows for a 10-year owner recapture or “clawback” period post the date of deed conveyance to the city. The length of this timeframe appears to represent too big of a risk for lenders to be comfortable with. Lenders’ comfort with the program will be important for bringing necessary resources into renovations and ultimately affordable housing programs.

Int. 1063 – Process and Agency Flexibility

Previous iterations of TPT did not offer adequate notification to owners of or residents at distressed properties of their designation or possible next steps regarding Third-Party Transfer. Tenants should know if the building in which they reside is in serious delinquency and possibly could soon be under new ownership.

The relaunch of the TPT program must therefore provide more information to owners and tenants. However, the way to accomplish that goal is better left to city agencies, who should be able to draft outreach language or tailor their specific approach and have the flexibility to adjust those strategies over time. With the manner and means of various processes so heavily proscribed in Int. 1063, that flexibility is not afforded. In addition, this heavily statutory approach also opens the door to legal challenges related to individual tenants or owners who can claim that they did not receive notice which may ultimately harm the goal of moving these properties to responsible stewardship.

Summary

The Third-Party Transfer program is an important governmental tool which represents an opportunity to tackle many challenges in one approach. It is a potent tax enforcement mechanism for serious delinquencies; fosters housing stability and security through improved property conditions, and a resource to create more affordable housing. While there have been previous concerns with the program's execution in accordance with the original legislation, we are hopeful that Int. 1063 offers a path to continue to refine a new TPT program that would be more equitable and effective. We look forward to working with the bill's sponsor and the rest of the Committee to help in this effort.



(202) 455-0510 - info@socialists.us – <https://socialists.us>

New York City Council testimony on Third Party Transfer Program – September 30, 2024

Dear Councilwoman Sanchez,

My name is Theo Chino, and I serve as the First Secretary of the Social Democrats of America, also known internationally as the Committee of the Second Socialist International. We are the socialist faction within the Democratic Party.

Given that I only have two minutes, I won't waste time with diplomacy.

Let me be clear: this bill is racist, paternalistic, and a textbook example of systemic governmental racism. **No matter how you try to spin it, as a collective, your actions are perpetuating racism.** This bill should be known as the *Aunt Jane and Uncle Tom Bill*.

The only way the Third-Party Transfer (TPT) program can work is if it's paired with a Tenant Opportunity to Purchase Act. This would ensure tenants are the true beneficiaries, not some shady non-profit set up by developers with questionable intentions. The deed should go to the tenants themselves, period.

Why are these non-profits allowed to raise the rent on Rent-Controlled and Rent-Stabilized tenants while the private sector is prohibited from doing so?

I speak from experience. I am a resident of 640 Riverside Drive, a building that was transferred under the TPT program following the City Council's Resolution 1005 back in 2003. Urban Homesteading Assistance Board or UHAB received the deed for \$1 in 2004 from Neighborhood Restore.

Fast forward 20 years and \$100 million later, and the building still hasn't been transferred to the tenants as promised. Worse, our rent is set to skyrocket from an average of \$400 to \$2,000 starting October 1st. I've attached documentation.

According our documentation, some of the rent is going to subsidize Actress Rosario Dawson's mother apartments on 13th street.

We are Socialists; therefore, we believe in Free Education, Universal Health Care, Anti-Death Penalty, Pro-Abortion, Universal Basic Income, the Right to Unionize, the sanctity of the Separation of Church and State, and the belief that the Government should make life bearable for all and ensure citizens' Liberties.

For 15 years, tenants in my building have fought to expose the corruption within the TPT program. Nearly everyone involved has since retired—except for UHAB’s lawyer, Anya Irons, and their director, Brent Sherman. As usual, the new faces plead ignorance. We’ve been here before. Corrupt HPD commissioners, like Anne-Marie Hendrickson, conveniently vanish after being exposed in the last hearing back in 2019.

And this is not just my story. It’s the story of countless Black and Browns tenants who’ve repeatedly reached out to the Department of Investigation, the FBI, the Attorney General, district attorneys, and the Department of Justice—only to be ignored.

Let me reiterate: the title should go directly to the tenants, not to some non-profit set up by shady developers. Brent Sherman from UHAB, advised an above income tenant to apply to be denied and in 10 years when he retires to visit Shaun Abreu office explaining it was political.

Since UHAB has made the issue political, the Social Democrats of America have launched the "**Rep My Block**" program to educate citizens about partisan politics—whether Democratic, Republican, or Independent. Through this, I’ve seen firsthand how organizations like UHAB and RiseBoro have infiltrated New York City’s political and journalistic spheres.

To combat this, we’ve sponsored the documentary *COUNTY*, now available to stream on PBS.

As a socialist, I firmly believe that tenants who want to become owners should receive the deed through fair means—and organize via a Limited Liability Corporation or a non-profit that pays its fair share of property taxes. However, allowing shady organizations like UHAB and RiseBoro to hold the title is nothing more than an extension of corruption.

It’s no surprise UHAB supports this bill—it provides them the lifeline to hide what they have done to the residents of 640 Riverside Drive and countless others.

This bill, if allowed to pass as is, would only perpetuate the legacy of racial redlining initially set up by banks to prevent Black and Brown communities from building wealth.

We, the Social Democrats of America, are committed to educating the public until all these racist, liberal policies are dismantled.

As for me, starting tomorrow, I will initiate a rent strike as a tenant in what I can only describe as a criminal enterprise. I will be demanding a full accounting of where that \$100 million has gone.

I’m available to answer any questions you may have.

Co-op Development

It has been an eventful year for UHAB's Co-op Development team, with many innovative new affordable housing projects on the horizon in the coming year. As the first developer to create homeownership utilizing the **HPD Inclusionary Housing program**, UHAB believes in seizing all opportunities to help meet the current demand for affordable housing, and pursue every possibility with an open mind.

The Dawson's Family

544 East 13th & 377 East 10th Streets

After almost 15 years of hard work, these projects closed on a permanent loan and converted to two independent HDFC co-ops on June 4th, 2018.

The first meeting of the co-op and election of a resident Board will be held in the next few months after the remaining vacant units are purchased by an eligible applicant.

This project was the first ever to use the Inclusionary Housing program to preserve and renovate existing affordable housing, and create two limited-equity co-ops. This is only the third application of the Inclusionary Housing program to create homeownership in the City — all have been done by UHAB.

Interboro Community Land Trust

A 17-building cluster in Brooklyn renovated in partnership with RiseBoro will soon become a community co-op on Interboro Community Land Trust. This Land Trust is a collaboration between UHAB, Habitat For Humanity NYC, The Center for New York City Neighborhoods, and the Mutual Housing Association of New York. Interboro has received critical support from Citi Community Development, the CLT's founding corporate partner. Interboro has also received support from Enterprise Community Partners, Inc., the New York City Department of Housing Preservation and Development, and the Office of the New York State Attorney General.

Theo Chino building

640 & 644 Riverside Drive

These projects entailed organizing the residents of a 134-unit building and a 94-unit building in Washington Heights through the Third Party Transfer program. After thirteen years of working diligently with partners Settlement Housing Fund, on June 29th, 2018 UHAB staff worked tirelessly to close the construction loan and secure additional equity financing from Local Initiatives Support Corporation (LISC) for 640 Riverside Drive with MDG Design + Construction as the General Contractor, and Community Preservation Corporation is the participation lender.

644 Riverside Drive has completed its renovation and will become a co-op in 2019.

Third Party Transfer

Through collaboration with the organizing department, our team conducted extensive outreach to the majority of the rentals on the Third Party Transfer (TPT) list to inform tenants of their right to petition to become an HDFC co-op through TPT. Two of the buildings we have worked with have had their petitions approved by the City.

PRESS RELEASE: NYC TENANT SEEKS ASSISTANCE FROM SENATOR CORY BOOKER TO OBTAIN FINANCIAL RECORDS FROM NON-PROFIT MANAGING COOP CONVERSION OF GIRLFRIEND ROSARIO DAWSON'S BUILDING

For Immediate Release

Press Contact: Theo Chino (212) 694-9968, Email: theo@640rsd.new-york.ny.us

New York, NY USA – November 12, 2019

On November 08, 2019, New York City tenant Theo Chino, residing at 640 Riverside Drive, sent a letter to Senator Cory Booker requesting his assistance in launching a federal investigation into potential corruption in the Third-Party Program managed by nonprofit UHAB ("Urban Homesteading Assistance Board") in New York City.

Senator Cory Booker's girlfriend, Rosario Dawson, like Chino, lives in an apartment slated for a Co-op conversion using NYC Department of Housing Preservation and Development (NYC HPD)'s inclusionary housing program, managed by UHAB. Dawson lives at 544 East 13th street and Theo Chino lives at 640 Riverside Drive and both buildings were transferred to UHAB for \$1 in order to convert each apartment into an affordable Co-op.

Chino alleges that monies from the 640 Riverside Drive units were illegally used for repairs of Dawson's building. This followed significant pressure by Dawson and her family to reject prospective low-income tenants slated to come into Dawson's building upon the Co-op conversion.

UHAB appeared on then-Public Advocate Letitia James' worse landlord list because of the numerous violations at 640 Riverside Drive triggered by Dawson's repairs.

According to Chino, "it's absolutely mind-boggling that Senator Booker is running for President on a platform of defending low-income Americans while publicly dating a very talented actress who bullies and harasses neighbors to receive millions of dollars from a program meant to help the lower middle class into home ownership. The fact that the Senator did not see that as a red flag shows the complexities of the NY real estate market, and that presidential candidates do not seem to have a clue! I hope that the Senator will use this opportunity to use his position to root out corruption in the real estate market, rather than sweeping it under the rug."

Chino appeared multiple times before the City Council seeking an investigation by NYC HPD into UHAB. Chino ran for Public Advocate of the City of New York to raise the issue of corruption within the Third-Party Program run by UHAB.

Chino is also a member of the 640 Riverside Drive tenant association, as well as the co-founder of the website RepMyBlock.nyc. Chino is also the co-founder of the NYC Privacy Board Advocate fighting for privacy in New York City and for transparency in law enforcement's various tracking technologies.

<https://bit.ly/32GEK6J>





The City of New York
DEPARTMENT OF HOUSING PRESERVATION AND DEVELOPMENT

**ORDER AND REPORT OF SETTING AND CONFIRMING REGULATED (STABILIZED) RENT AND SERVICES
ARTICLE 15 OF PRIVATE HOUSING FINANCE LAW**

MAILING ADDRESS OF LANDLORD		MAILING ADDRESS OF TENANT	
Name	GP-UHAB Housing Development Fund Corporation	Name	Theo Chino Josefina Tavaras
Number and Street	120 Wall Street 20th Floor	Number and Street	640 Riverside Drive
City State and Zip	New York, NY 10005	City State and Zip	New York, NY 10031

Vacant

Address of Subject Building	(Number and Street)	(Apartment Number)	(Borough and Zip Code)
	640 Riverside Drive	10B	Manhattan 10031

Article 15 of the Private Housing Finance Law provides that the Agency may grant a rehabilitation loan, and that the Agency shall, after the completion of the rehabilitation of a multiple dwelling, establish initial rents for all rental units in the multiple dwelling whether stabilized, controlled or not currently subject to regulation. Pursuant to Section 804 of the Private Housing Finance Law, after the establishment of rents, the owner shall offer tenants in occupancy a new two-year lease at such rent. A tenant may sign such a lease or request a one-year lease if he or she wishes to remain in occupancy; in either case, the owner may demand the new rent established herein from the effective date of this Order and Report. Subsequent rent increases and lease renewals are subject to the laws, rules, and regulations of the rent stabilization system.

WHEREAS the Department of Housing Preservation and Development ("the Agency") has been authorized by law to establish rentals for rental units rehabilitated pursuant to Article 15 of the Private Housing Finance Law and the Commissioner of the Agency has delegated the power to establish such rentals to the Assistant Commissioner of the Division of Preservation Finance.

WHEREAS, as Assistant Commissioner of the Division of Preservation Finance, I have determined that:

- a. The above multiple dwelling was rehabilitated pursuant to Article 15 of the Private Housing Finance Law and such rehabilitation has been completed, the landlord has certified to this Agency that such rehabilitation has been completed and such certification has been filed with this Agency.
- b. The rent set forth on this report concerning the apartment in this building is established pursuant to Article 15 of the Private Housing Finance Law. The rent includes an estimate of the real estate tax on the property as it will exist after tax exemption/tax abatement has been granted. The Agency reserves the right to adjust these rents upon the termination of the exemption and abatement to reflect the subsequent increases in real property taxes.

WHEREFORE, IT IS ORDERED AND CONFIRMED THAT effective **10/1/2024** the rent for the apartment was set at **\$2036** per month, there will be no change in required service(s)

and these shall be the legal regulated rent and a modification of required service(s) for the purpose of the Rent Stabilization Law. Further, by operation of law, units heretofore subject to the rent control laws are no longer controlled and are hereby stabilized on such effective date.

SEP 18 2024

Date of Order

Kerry LaBotz

Kerry LaBotz
Assistant Commissioner
Division of Preservation Finance

RENEWAL LEASE FORM

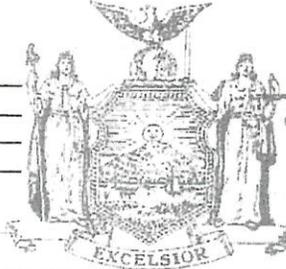
Owners and Tenants should read INSTRUCTIONS TO OWNER and INSTRUCTIONS TO TENANT on reverse side before filling out or signing this form

THIS IS A NOTICE FOR RENEWAL OF LEASE AND RENEWAL LEASE FORM ISSUED UNDER SECTION 2523.5(a) OF THE RENT STABILIZATION CODE. ALL COPIES OF THIS FORM MUST BE SIGNED BELOW AND RETURNED TO YOUR LANDLORD WITHIN 60 DAYS.

Dated: August 13 2021

Tenant's Name(s) and Address:

J Tavares and T Chino
640 Riverside Drive
#10B
New York, NY 10031



Owner's /Agent's Name and Address:

GP-UHAB 640 Riverside Drive
c/o Concord Management of NY, LLC
1328 New York Avenue
Huntington Station, NY 11746

1. The owner hereby notifies you that your lease will expire on: 9 / 30 / 2021

PART A - OFFER TO TENANT TO RENEW

2. You may renew this lease, for one or two years, at your option, as follows:

Column A Renewal Term	Column B Legal Rent on Sept.30th Preceding Commencement Date of this Renewal Lease	Column C Guideline % or Minimum \$ Amount (If unknown, check box and see below)*	Column D Applicable Guideline Supplement, if any	Column E Lawful Rent Increase, if any, Effective after Sept. 30th	Column F New Legal Rent (If a lower rent is to be charged, check box and see item 5 below) <input type="checkbox"/>
1 Year	\$ 164.39	(1.50%) \$ 2.46	\$	\$	\$ 166.85 **
2 Years	Same as above	(2.50%) \$ 4.10	\$	\$	\$ 168.49

* If applicable guideline rate is unknown at time offer is made, check box in Column C and enter current guideline which will be subject to adjustment when rates are ordered.

** Rent Guidelines Board Order #53 applies to leases commencing between 10/1/21 and 9/30/22. The one (1) year lease guideline increase cannot be applied until the final six (6) months of the lease. There is no guideline increase in the first six (6) months.

3. Security Deposit: *** Collectable after the sixth (6) month of a one-year lease renewal
Current Deposit: \$ _____ Additional Deposit Required - 1 year lease: \$ _____ ***
Additional Deposit Required - 2 year lease: \$ _____

4. Specify separate charges, if applicable:
a. Air conditioner: \$ _____ c. 421a (2.2%): \$ _____ Total separate charges: \$ _____
b. Appliances: \$ _____ d. Other: _____ \$ _____

5. Lower Rent to be charged, if any. 1 year lease \$ _____, 2 year lease \$ _____ Agreement attached: Yes No

6. Tenant shall pay a monthly rent (enter amount from 2F or 5) of \$ 166.85 for a 1 year renewal or \$ 168.49 for a 2 year renewal, plus total separate charges (enter amount from 4) \$ _____ for a total monthly payment of \$ 166.85 for a 1 year renewal or \$ 168.49 for a 2 year renewal.

7. This renewal lease shall commence on 10 / 01 / 2021, which shall not be less than 90 days nor more than 150 days from the date of mailing or personal delivery of this Renewal Lease Form. This Renewal Lease shall terminate on 09 / 30 / 2022 (1 year lease) or 09 / 30 / 2023 (2 year lease).

8. This renewal lease is based on the same terms and conditions as your expiring lease. (See instructions about additional provisions.)

9. SCRIE and DRIE. Owner and Tenant acknowledge that, as of the date of this renewal, Tenant is entitled to pay a reduced monthly rent in the amount of \$ _____ under the New York City SCRIE program or the New York City DRIE program. The reduced rent may be adjusted by orders of such program.

10. Leased premises does , does not have an operative sprinkler system. If operative, it was last maintained and inspected on _____.

This form becomes a binding lease renewal when signed by the owner below and returned to the tenant. A rider setting forth the rights and obligations of tenants and owners under the Rent Stabilization Law must be attached to this lease when signed by the owner and returned to the tenant. The rent, separate charges and total payment provided for in this renewal lease may be increased or decreased by order or annual updates of the Division of Housing and Community Renewal (DHCR) or the Rent Guidelines Board (RGB).

PART B - TENANT'S RESPONSE TO OWNER

Tenant: Check and complete where indicated one of three responses below after reading instructions on reverse side. Then date and sign your response below. You must return this Renewal Lease Form to the owner in person or by regular mail, within 60 days of the date this Notice was served upon you by the owner. Your failure to do so may be grounds for the commencement of an action by the owner to evict you from your apartment.

- I (we), the undersigned Tenant(s), accept the offer of a one (1) year renewal lease at a monthly rent of \$ 166.85, plus separate charges of \$ _____ for a total monthly payment of \$ 166.85. **No rent increase in the first six (6) months.
- I (we), the undersigned Tenants(s), accept the offer of a two (2) year renewal lease at a monthly rent of \$ 168.49, plus separate charges of \$ _____ for a total monthly payment of \$ 168.49.
- I (we) will not renew my (our) lease and I (we) intend to vacate the apartment on the expiration date of the current lease.

Tenant's Signature(s): _____

Dated: _____ 20

Dated: _____ 20

Owner's Signature(s): _____

GP-UHAB 640 Riverside Drive

NOL

Supplement to my November 1, 2023, Comments to New York City Council Committee on Oversight and Investigations Meeting regarding the “Oversight - Mayor’s Management Report: Agency Performance in Delivering Housing and Services - HPD”.

Below is a transcript of my spoken Comments with detailed footnotes for attached documents.

“Hello. Thank you for this opportunity to speak. I am Annie Wilson, and I am here to report that I have also been in a HDFC scenario, as cofounder in 1984, and eventually forced out by the developers. This building was a building transferred to the non-profit in 2002¹, to be completed in 2004, and I have to say that there had been a fire, they kept the fire insurance money. They forced us out by claiming a foreclosure² need of \$179,000, and an agreement that they had made with a for-profit developer³, and they had not disclosed to us or revealed that they had taken a mortgage⁴ out on us a couple years prior for \$850,000. So based on this scheme, we were forced out of our apartments and given relocation apartment contracts. I was not allowed to return to my apt 5C and went in negotiation for alternatives. They took me to court, I believe, as reprisal for speaking out in this body in 2018⁵ and 2019⁶, detailing the issues that we had, and particularly financial issues, and if you look up the record I testified on July 22, 2019, if you go to pages 261 to 268, and I had testified April 26, 2018, pages 174 to 177. I know I have to wrap up now but I would like to add that I'm still in the relocation apartment, overstayed five years, facing eviction from there, and I would like to work and meet with you and help with any kind of investigation needed because the situation is dire right now for me and others.”

HPD refused their responsibility to administer oversight and compliance. Sincerely Annie Wilson

¹ See Attachment A - [Land Disposition Agreement \(LDA\) between City of New York, Housing Preservation and Development \(HPD\), Urban Homesteading Assistance Board \(UHAB\), August 19, 2002](#)

² See Attachment B - [Supreme Court of New York, County of New York, Index No. 650336/2014, SUMMONS in TAX LIEN FORECLOSURE and COMPLAINT, NYCTL 2013-A TRUST, and THE BANK OF NEW YORK MELLON as Collateral Agent and Custodian for the NYCTL 2013-A Trust against UHAB HOUSING DEVELOPMENT FUND CORPORATION et alia, January 27, 2014](#)

³ BFC Partners / B&N Housing Inc.

⁴ See Attachment C - [Department of Finance, City of New York, MORTGAGE, ID: 2009020400607001, January 30, 2009](#)

⁵ See Attachment D - [City Council, City of New York, Transcript of the Minutes of the Committee on Housing and Buildings, April 26, 2018, pages 1, 174 to 177](#)

⁶ See Attachment E - [City Council, City of New York, Transcript of the Minutes of the Committee on Housing and Buildings jointly with Committee on Oversight and Investigations, July 22, 2019, pages 1, 261 to 268](#)

CIVIL COURT OF THE CITY OF NEW YORK
COUNTY OF NEW YORK: HOUSING PART

544 EAST 13TH STREET HOUSING
DEVELOPMENT FUND CORPORATION,

INDEX NO.: 052519/2019

Petitioner

- against -

REQUEST FOR
CONSOLIDATED
DISCLOSURE

ANNIE MIQUET WILSON
544 East 13th Street
Apartment #6AB
New York, New York 10009,

Respondent-Occupant,

TO: 544 EAST 13TH STREET HOUSING DEVELOPMENT FUND CORPORATION

I hereby request that you produce the following documents connected to 544 East 13 Street, New York, NY 10009;

1. Disclosure of all accounts including escrow accounts and reserve accounts
2. All details for all accounts
3. Records of all financial transactions between all parties
4. Identification of all owners of 544 East 13 St. since 2002
5. All communications about the building
6. Copies of Membership Agreements

I hereby request that you answer the following interrogatories in connection with this matter. If objection is made, please state the reason for the objection. If denying the matter, please set forth in detail the reasons why you cannot answer the questions;

1. The Division of Housing and Community Renewal (DHCR) has identified apartments, in building #127515, 5C and 6AB as Rent Stabilized so why does the January 28, 2019, Petition claim that apartments 6AB and 5C are not ?
2. Why was the Jerome Cooper family not assigned to apartment 6C?

3. Why is Isabel Dawson in apartment 6C?
4. Why is Nicky Scott in apartment 5C?
5. Why was Nicky Scott given a relocation agreement?
6. Why were Jeff Underwood and Amanda Davila, living in apartment 1, not recognized as building residents?
7. Why were Jeff Underwood and Amanda Davila not given a relocation agreement?
8. What is your methodology for apartment assignments?
9. What is your methodology for relocation agreements?

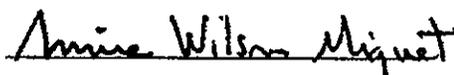
I reserve the right to amend and supplement the herein up to and including the time of trial as discovery is ongoing and continuous.

Please respond to all requests within 30 days and send to Annie Wilson Miquet, c/o Suite 2625, 225 Broadway, New York, NY 10007

If you have any questions or concerns, please feel free to contact me.

Sincerely yours,

June 25, 2019



Annie Wilson Miquet
Pro-Se
544 East 13 Street,
Apt. 6ab (or 5C)
New York, NY 10009

TO: *Attorneys for Petitioner*
Borah, Goldstein, Altschuler, Nahins
& Goidel, P.C.
377 Broadway, New York, NY 10013
212 431 1300

**Cc: Juan Barahona
B&N Housing LLC
150 Myrtle Avenue
Brooklyn, NY11201**

Gregory Christopher Baggett
A Philip Randolph Square Neighborhood Alliance
Testimony: City Council Housing Committee
Intro 1063-2024
30 September 2024

The Third Part Transfer program has successfully preserved homeownership since its inception and has created homeownership opportunities from previously failing rental properties. Moreover, most TPT-converted HDFC cooperatives often outperformed those from the TIL program, despite fewer opportunities for resident education. So we thank Chairwoman Sanchez and her committee for recognizing this program's potential to provide homeownership opportunities for many New Yorkers.

However, we have one significant concern: the proposed solutions to preserve these assets seem to replicate past ineffective approaches:

1. Reliance on monitors who represent corporations' interests, not the city.
2. Oversimplified education programs that create permanent dependency.
3. Involvement of paternalistic nonprofits with proprietary and territorial practices that hinder effective stewardship.

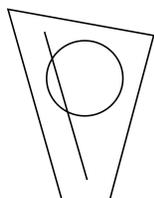
These approaches have proven inadequate in the past. We need innovative solutions that treat the management of these precious assets as a business while supporting the residents and boards with equity and empathy.

We urge you to consider:

1. Establishing an Asset Management Trust with expanded authority.
2. Implementing mandatory, comprehensive business education.
3. Engaging neutral, business experts for unbiased direction and oversight
4. Converting corporations at risk to nonprofit HDFCs, CMP-HDFCs or CLT-HDFCs.

Addressing these concerns will ensure the HDFC portfolio continues to create sustainable homeownership opportunities for future generations of New Yorkers.

Lastly, Intro 0958 to create homeownership opportunities to persons earning between 70 and 165 percent AMI is in perfect alignment with this legislation because most young professionals, first-time homeowners, retired older adults, and returning graduate earn too much to qualify for many of the city's preservation housing programs, yet too little to access the free market.



A. Philip
Randolph
Square

NEIGHBORHOOD ALLIANCE INC.



**TESTIMONY TO NYC CITY COUNCIL
COMMITTEE ON HOUSING AND BUILDINGS – INTRO 1063
HOWARD SLATKIN, CHPC EXECUTIVE DIRECTOR
SEPTEMBER 30, 2024**

My name is Howard Slatkin, and I am Executive Director of Citizens Housing and Planning Council. Thank you for the opportunity to submit testimony today. We appreciate the Council’s efforts to reauthorize the Third Party Transfer program, and offer these comments in an effort to improve the program’s effectiveness, with an eye on the experience of residents of distressed buildings.

First off, between TPT and reauthorization of the lien sale, this Council deserves credit for taking on the challenges of property tax enforcement. While these programs do involve financial pain, sometimes for people of limited means, the experience of several years without these programs shows that walking away from the responsibility for enforcement primarily empowers bad actors and ultimately hurts the people of New York City even more.

The City’s approach to reauthorization of TPT should be guided by concern for the residents of buildings that are experiencing severely deteriorating conditions and inadequate services. The cost of deferring or delaying remedies falls most severely on them. TPT is essentially the only program able to take on these severe problem buildings, maintain them until they can be rehabilitated, and provide protection for tenants while this process is going on. HPD and its partners under the program have a strong record of accomplishment in addressing these extremely challenging situations.

- Chairman**
Richard Roberts
- President**
Mark Ginsberg
- Vice President**
Samantha Magistro
- Treasurer**
Matthew Petruła
- Secretary**
Joseph Lynch
- Executive Director**
Howard Slatkin
- Executive Committee**
Hercules Argyriou
Robert Ezrapour
Paul Freitag
Kirk Goodrich
Aileen Gribbin
Marvin Markus
Amelia Rideau
Matthew Rooney
Jessica Sherman
Richard C. Singer
William Stein
- Board Members**
Sandra Acosta
Richard Barth
Simon Bacchus
Stuart Beckerman
Carmi Bee
Patrick Blanchfield
Anthony Borelli
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Thomas Campbell
Louise Carroll
Rafael Cestero
Emily Chen
Andrew Cohen
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Monica Dean
Beatriz De la Torre
Douglas D. Durst
Neil Falcone
David Fleming
Deborah Gans
Richard Gerwitz
James Gillespie
Sally Gilliland
Elliott M. Glass
Alexander Gorlin
Rick Gropper
Amie Gross
David E. Gross
Baaba Halm
Timothy Henkel
Larry Hirschfield
William N. Hubbard
Marcie Kesner
Emily Kurtz
Carol Lamberg
Deborah Clark Lamm
Phil Lavoie
Robert O. Lehrman
Nicholas Lettice
Jeremy Levkoff
Richard Lobel
Michael Lohr
Brian Loughlin
Kenneth Lowenstein
Moshe McKie-Krisberg
Ron Moelis
Niall Murray
Perry Notias
Michael Nyamekye
Anthony Richardson
James Riso
Joseph B. Rose
Carol Rosenthal
David Rowe
Matthew Schatz
David Schwartz
Avery Seavey
Paul Selver
Nadir Settles
Wendi Shafran
Ethel Sheffer
Jane Silverman
Brian Smalley
Mark E. Strauss
David Walsh
Adam Weinstein
Alan H. Wiener
Mark A. Willis
Emily Youssouf
Emeritus
Peter Salins

While the overall direction of the legislation is laudable, as currently drafted the bill would not achieve the desired beneficial outcomes in several ways:

- While the impulse to accommodate struggling property owners who are acting in good faith is well-intentioned, efforts to do so are likely to provide greater benefit to owners who are acting in bad faith, delaying enforcement so they may continue to extract value from distressed buildings. To a bad actor, the option to enter into a compliance agreement upon partial payment of delinquent taxes presents itself as a fee for the privilege of continuing to decrease services and squeeze remaining value out of buildings. Any alternative enforcement plan must aim to make disinvestment a bad business proposition for the owner.
- The legislation assigns HPD the responsibility of administering compliance agreements, without any additional tools of enforcement. This will add significant administrative costs for the agency and burdens that may diminish its ability to discharge its many other important responsibilities. In addition, prior agency experience in administering similar improvement plans suggests that successful outcomes will be rare, making this a poor investment of agency resources.
- The bill contains extensive and impractical notice requirements. While these may be well-intended, they provide a bountiful buffet of options for building owners wishing to delay enforcement by litigating claims of defective notice that are difficult and time-consuming to evaluate. The existence of such litigation, whatever its resolution, severely impairs the ability of agencies to carry buildings through the TPT process. This too rewards determined bad actors.
- Overly prescriptive legislation impairs the ability of agencies to adapt to lessons learned from implementing a new program or needed to respond to a changing environment. This is a particularly important consideration when a program's parameters could so easily impede rather than advance its purpose. The Council should put key elements of the program into the law while authorizing HPD to address further programmatic details through the rulemaking process. This does

not mean the Council should not take an interest in these details or how they influence program outcomes, however. The Council could, for instance, include in the legislation a five-year progress report on implementation, and use its oversight authority to review the program's effectiveness in achieving its goals under this legislation.

The universe of buildings affected by TPT are by definition in deep distress, and every day of delay in remedying this distress subjects residents to another day in unacceptable living conditions, with attendant risks to their security and well-being. Enforcement of property tax collection and housing maintenance standards will no doubt present challenges to property owners. But the financial needs of property owners who have failed to meet their obligations cannot be prioritized above the fundamental housing needs of residents.

I would like to thank the Chair of Housing and Buildings and the bill's other sponsors for taking on this challenging set of issues, and appreciate the opportunity to provide the committee with our perspective. We urge the Council to modify this bill to enable the TPT program to bring desperately needed improvements to residents of distressed buildings in a timely way.

Thank you, Chair Sanchez and the New York City Council Committee on Housing and Buildings for holding this hearing. Our names are IZIAH Thompson, Oksana Mironova, and Samuel Stein, and we are senior policy analysts at the Community Service Society of New York (CSS). For over 175 years, CSS has advocated for low-income New Yorkers. Throughout that time, we have maintained a focus on housing affordability, quality, and stability.

We are here today to testify in support of Intro 1063, the Housing Rescue and Resident Protection Act (HRRPA), which is the first step toward reforming the Third Party Transfer (TPT) program. Expanding the definition of distressed properties, increasing outreach, and ensuring that low-income homeowners are able to stay in their homes are all vital to improving TPT.

Definition of Distress

TPT should only apply to properties where residents are suffering from substandard living conditions as a result of poor management and financial distress.

HRRPA creates a more targeted system, capping eligibility to the top 500 properties, "when multiplying the property's municipal debt by the property's total open hazardous and immediately hazardous maintenance code violations." While this is broadly a good definitional change, we'd encourage the process to be purely driven by eligibility criteria.

We recommend adding additional categories to the definition of distress, including:

- HP Actions/Harassment/ Department of Housing Preservation and Development (HPD) Housing Litigation Division (HLD) actions
- An accounting of *lis pedens* and outstanding foreclosures
- Inclusion of a property in AEP and 7A
- Increased lien to value ratio
- Repeat listing on the lien sale list

Vacant land and unoccupied buildings should also be included under the definition of distress, no matter their tax class or violation count, and should not be counted toward TPT's property cap. These types of properties should go through the *in rem* process and transform into social housing, including home ownership opportunities.

After changing the definition of distress, we recommend that HPD update its criteria for pulling properties into TPT, to align with the new definition.

Outreach

We'd encourage the HRRPA to include further changes to owner and tenant engagement. HPD should greatly increase outreach in neighborhoods known to be affected by municipal foreclosure, which has had an outsized impact on Black homeowners in neighborhoods like Ocean Hill and East New York in Brooklyn, and Jamaica in Queens.

In addition to letters and calls, HPD should ensure that homeowners receive several communications through multiple channels, and in multiple languages, with a direct and clear

explanation of the lien sale process and available offramps. Ideally, every homeowner at risk would receive an in-person visit.

This level of communication can be augmented by monthly workshops in neighborhoods shown to be affected by the lien sale and where take up of property tax exemptions is low.

HPD should provide extra support services to HDFC cooperatives in danger of foreclosure, with a focus on buildings with expired tax exemptions. At a minimum, the bill should require that a majority of shareholders and/or the elected board meet with HPD to discuss the possibility of a retroactive exemption, before foreclosure is pursued.

Tenant and Social Ownership

The tenant ownership portion of HRRPA—which instructs HPD to provide notice to tenants on the *in rem* foreclosure program and how they can apply for eventual ownership of the property—is a strong step towards resident control and stability. However, it could be improved by providing tenants in distressed buildings with a right of first refusal, giving tenants the opportunity to reclaim their properties, often after decades of landlord mismanagement.

Further, as drafted, the bill requires HPD to “consider whether” a third party applying for property disposition is a “responsible legal tenant, not-for-profit organization, neighborhood-based-for-profit individual or organization, or community land trust.” This language should be strengthened to prohibit awarding property to a for-profit entity unless no tenant, not-for-profit organization, or community land trust has expressed a willingness to partner with HPD on redevelopment.

We’d encourage HPD to prioritize sponsors that champion permanent affordability, locking in public benefit in perpetuity. These include community land trusts and tenure models like limited equity cooperatives.

Harlem Housing Advocacy Group, Inc.

P.O. Box 2741, New York, NY 10027 hello@hhaginc.org www.hhaginc.org

30th September 2024

Dear Committee on Housing and Buildings:

RE: Affordable Housing Predatory Lending Schemes

in the City and State of New York

When systems fail, people hurt and suffer and sometimes die.

We write to ask that you take direct action to help end the rampant abuse of the American legal system and the unjust application of the law, whether de jure or de facto in the City and State of New York. People are evicted, harassed and abused by those who use resources to manipulate the Courts. The Courts have failed in supervising themselves and the attorneys who capitalize on these unfortunate circumstances.

Whether it is the lawyer that uses the legal system to throw families out of their homes or the judge that endorses them, things cannot continue like this.

We ask that you Request the New York State Attorney General to Investigate the Participation Loan Programs administered by the City of New York Department of Housing, Preservation and Development (HPD) and the New York State Department of Homes and Community Renewal (DHCR)

The affordable housing programs in the City of New York are corrupted by the fraudulent use of federal HOME funds and other public monies in “economically targeted investments.”

Particularly egregious in facilitating the fraudulent use of public monies is the Tenant Interim Lease Program (TIL), the Third Party Transfer (TPT) Program and the Affordable Neighborhood Cooperative Program (ANCP) created and administered by the Department of Housing Preservation and Development (HPD) and its Participation Loan Program, under the auspices of Article 11 and Article 15 of the New York State Private Housing Finance Law. These programs are actually predatory lending schemes masquerading as affordable housing programs.

HPD arranges sponsor/developer [Neighborhood Restore, Settlement Housing Fund, SHUHAB, UHAB (Urban Homesteading Assistance Board), Finger Management,

Wavecrest Management] access to public monies ostensibly to provide affordable housing to residents. In fact, sponsors and developers are enriched and residents are left with damaged property and unmanageable debt. The predatory lending scheme threatens the retirements of workers vested in City of New York pension funds that are guaranteeing these programs i.e. “economically targeted investments”.

Furthermore, residents are subjected to “breaches of law” **that include deprivation of rights under the 5th Amendment to the U.S. Constitution**, mortgage fraud, inverse condemnation, regulatory taking (ultra vires, unjust enrichment) and violations of Truth in Lending Laws.

For example, in the City of New York, 644 Riverside Drive is saddled with a \$46 million dollar mortgage, 540-550 West 144th Street saddled with a \$14 million mortgage, 50 West 112th Street, 86 West 119th Street, 477 West 142nd Street, 544 East 13th Street and other buildings are at risk.

Since Fall of 2004, The Residents of 936-938 St, Nicholas Avenue have suffered the perpetuation of a fraudulent refurbishing/renovation that has resulted in a “sick” building that needs to be made whole. Renovation was not performed per the Scope of Work. Inferior [poisonous] building material was used. The shoddy work has resulted in creating environmental and structural conditions that effect residents’ health, morbidity and mortality. The building is mold infested, seen and unseen. Respiratory, cardiovascular, pulmonary illness and broken hearts abound.

For example, in this fifty-one (51) unit building, eighteen (18) residents have died from initial symptoms that include respiratory distresses and memory loss. The contractor was given a deposit of \$3,912,000.00 without scope of work compliance.

Residents have recently learned that the building’s lack of a Certificate for Occupancy is a violation of the City of New York Multiple Dwellings Law §301. How/Why was a mortgage granted without a Certificate of Occupancy?

Things cannot continue this way.

The **Job No. 103324653** which was/is the permit for the 2002-2004 construction work in 938 St. Nicholas Avenue, Block 2107, Lot 20 is still **Open** at the City of New York Department of Buildings (DOB). The Work remains Incomplete. The Contractor willfully misfiled the Job so that it did not reflect the true cost of the Scope of Work and compliance with the Multiple Dwellings Law. There was No Certificate of Occupancy

in 2006. There is NO Certificate of Occupancy NOW. How/Why was a mortgage granted without a Certificate of Occupancy?

Please note the document file for the foreclosure action that commenced in 2013 under the auspices of Judge Joan Madden and dismissed dated July 31, 2018: "Ordered that plaintiff's foreclosure action is dismissed in its entirety without prejudice; and it is further Ordered that the temporary receivership of Daniel R. Milstein is terminated and Mr. Milstein shall be fully discharged as Receiver upon court approval of his final accounting":

850011 – 2013--

<https://iapps.courts.state.ny.us/nyscef/DocumentList?docketId=P7AHkVkJAJoalJnTcmWwrEA=&display=all&courtType=New%20York%20County%20Supreme%20Court&resultsPageNum=1>

Unfortunately, the mortgage note was transferred to a new lender for the third time during the dismissed foreclosure action. The new lender served the building and shareholders with a new foreclosure action on Wednesday, 5th September 2018. It is assigned **Index No. 850233-2018--** New York County Supreme Court

Short Caption: 938 ST. NICHOLAS AVENUE LENDER LLC, - v. - 936-938
CLIFFCREST HOUSING DEVELOPMENT FUND CORPORATION et al

Case Type: Real Property - Mortgage Foreclosure - Commercial

Case Status: Pre-RJI;

<https://iapps.courts.state.ny.us/nyscef/DocumentList?docketId=YjmbXxmT0PYGZOFID8uTig=&display=all&courtType=New%20York%20County%20Supreme%20Court&resultsPageNum=1>

The Managing Member of 938 ST. NICHOLAS AVENUE LENDER LLC, Mr. David Aviram, is also the Principal and Director of Acquisitions for Maverick Real Estate Partners (www.maverickrep.com), "a private equity fund manager that acquires loans, mechanic's liens and judgments secured by real estate"

We ask that the HPD Corruption Investigation begin with 1) 938 St. Nicholas Avenue, NY, NY 10032 (now in foreclosure; tenants face eviction); 2) 640 and 644 Riverside Drive, NY, NY 10031; 3) 20 and 22 Mount Morris Park West, NY, NY 10027; 4) 544 East 13th Street. NY, NY 10009. A thorough investigation of each of these buildings will most likely expose the criminality of fraud and fraudulent inducement.

Please note the unresolved testimonies from the following hearings:

City of New York Council Hearings held by the Housing and Buildings Committee on the Third Party Transfer Program, **26th April 2018** (Committee Report, 7p; Testimony, 275p; Transcript, 209p):

<https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3465116&GUID=1BC54EFF-A8C0-4A4A-B278-E939E85D17A8&Options=&Search=>

and **22nd July 2019** (Committee Report, 15p; TPT Hearing Slides, 34p; TPT. Hearing Testimony, 266p; TPT Hearing Testimony (Con't), 1p; TPT Hearing Transcript, 271p); <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=>

1st November 2023, Committee on Oversight and Investigations; Note video at 2:30 re HPD, UHAB, Third Party Transfer (TPT); Testimony, ; Transcript, <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=6379859&GUID=2AF2C863-1483-4E45-B52D-1507FA5F24BB&Options=&Search=>

Thank you for reading this letter. You must employ every resource you can muster to assist our efforts to end HPD corruption, judicial malfeasance and malpractice.

We look forward to hearing from you very soon.

Sincerely,

M.E. Greene-Cohen, Founding Executive Director

Harlem Housing Advocacy Group, Inc. P.O. Box 2741, New York, NY 10027,
hello@hhaginc.org www.hhaginc.org



October 3, 2024

The Honorable Pierina Sanchez
Chairperson
Committee on Housing & Buildings
New York City Council
250 Broadway
New York, NY 10007

Dear Chair Sanchez and Members of the Committee:

Thank you for the opportunity to submit testimony on the third-party transfer program (TPT) and Intr. 1063, also known as the Housing Recovery and Resident Protection Act.

As you know, the third-party transfer program has been a critical tool since it was created during one of the most challenging periods in our city's history. TPT allowed the City to mitigate the deterioration of New York's housing stock by transferring foreclosed properties to third parties to rehabilitate them rather than taking on ownership and management of those properties itself. But as the Chair noted on September 30th, TPT disproportionately impacted low-income New Yorkers and communities of color.

Decades after TPT was first introduced, New York faces a different kind of housing crisis, and the need for the program remains. But any replacement of or changes to TPT must strike a balance between protecting tenants in distressed buildings and working with those for whom property ownership represents perhaps their only opportunity to build equity.

To that end, any legislation concerning TPT must ensure that homeowners – specifically elderly, low income, and BIPOC owners – are given sufficient time and notice to address violations and small-scale tax arrears to save their homes.

We also need to be sure that this legislation includes very specific language to enforce the return of equity in any event where a home is taken and sold at a profit that exceeds the amount of the violation or tax arrears.

Finally, any foreclosed property must be transferred to an organization, nonprofit or otherwise, that has the full capacity to maintain and manage the property in the way that maintains or expands the city's affordable housing stock.

As a non-profit community development financial institution (CDFI) focused on closing the wealth gap, LISC NY is ready, willing, and able to support – through financing and other technical assistance – non-profits and other organizations that are looking to ensure properties remain affordable.

Thank you for your consideration.

Valerie White

A handwritten signature in black ink that reads "Valerie White". The signature is fluid and cursive, with the first name being more prominent.

Senior Executive Director, LISC NY

Thank you for the opportunity to comment on Intro 1063. Unless there is going to be a significant change in how HPD supervises the activities of non profits, then problems like mine are going to continue.

UHAB has dissapointed time and time again. This is my experincence with UHAB Prior to 544 east 13th st, NY NY 10009 gut renovation and relocation agreement in 2015 I lived in apt 1B, a "NO EVICTION" cooperative HDFC-UHAB that did not give me a temporary relocation contract.

I wanted to know more about the agreement and when the move out date was, so I called Marina Metalios at UHAB and left a voicemail. Within a few minutes I recieved an agressive phone call from another resident at 544, Isabel Dawson. She told me to never call Marina again, and that I was going to mess it up for everyone involved.

She then told me that I needed to move out the next day. Isabel Dawson was not a landlord, just another resident and had no right to tell me to leave. I lived there for years and had rights to relocate and return just like everyone else. Everyone knew I lived there. It was not a secret. We were all packing to leave for weeks and I just wanted to know the deadline. I ended up leaving a week later.

I did not recieve a relocation agreement nor did I get monthly checks like the other residence at 544. these checks added up to approx. \$88,0000.00 per person. They then returned to their apts. Some people got two apts! After the 2 years of renovations, I started asking other residents who were my friends, when I could move back in and when was UHAB going to contact me. This is when I found out that they sold the apt.

After finding this out, I got an attorney and sued UHAB In Supreme Court New York County - Underwood v.Urban

Homesteading Assistance U-HAB Index No. 161908/18. 3 years later the case was dismissed because we didnt

know which who took the money for the sale of my apartment. UHAB defended themselves claiming that their for profit partner/ developer Juan Barahona of B & N took money from the sale. I did not and still do not have the resources to appeal the courts decision on this case.

I really need assistance. I am currently on SSI disability. There are many details to this situation, but there is one simple detail that is most important and that is, I lived at 544 and had the right to a relocation agreement and a return agreement.

I was pushed aside so that a developer could profit from my home.

APT.

please investigate this situation and help me and others who have been mistreated and left behind by UHAB. I had my home taken by a nonprofit and a contractor that were there to supposedly help me.

Yes, the contractor makes money, but when they break the rules and push people with limited resources out of their homes for profit with the help of the UHAB, then that's criminal.

At the end of the day, I just want a place to live. please assist me with obtaining a comparable apartment in the neighborhood as soon as possible. Thank you for your time.

Jeff Underwood

[REDACTED]

From: Josie Brooklyn <west159@yahoo.com>
Sent: Wednesday, October 2, 2024 11:52 PM
To: Testimony; District38
Cc: bgooding@advocate.nyc.gov; action@comptroller.nyc.gov
Subject: [EXTERNAL] NYC HEARING 09/30/24 CMTE.HOUSING/BUILDINGS == Sanfeliu
[REDACTED] == 2024-10-02

[REDACTED]

10/02/2024
Testimony@Council.NYC.gov
09/30/2024 – 1:00pm == 250 Broadway - Committee Room, 14th Floor
Cmte.on Housing/Buildings-T2024-2479 Oversight-Third Party Transfer Program

Greetings NYC Council Members & New Yorkers
I am JOSEFINA SANFELIU, NYer over 70years, Taxpayer, Brooklyn homeowner since 1992.

In recent years, NYC and Brooklyn are having explosive growth, including construction shortcuts & accidents resulting in structural remediation or even worse, injury & death.

Thus, regulating, standardizing, streamlining activities of DoB/Dept.of Buildings Inspectors' can maximize their efficiency & efficacy, and reduce costs of labor, overhead, travel, traffic & pollution. As a career data analyst, i have compared some actual procedures to redundant, economical government document delivery services. If we can vote by mail, we can get DoB notices by mail.

HYPOTHETICAL COST OF AFFIXING NON EMERGENCY DOCUMENT TO MY HOUSE
Estimated wages of a Building Inspector from PayScale.com (comparable to other salary websites)
\$61,161/year, \$5097/month, \$1176/week, \$235/day, \$29/hour on 40.hour week.

11/18/2022 affixed to my house a Notice – Q/L Quality of Life Unit non_emergency notification.
08/17/2024 affixed to my house a Summons in self stick page protector – Q/L Quality of Life Unit non emergency notification (12.days after Summons date of 08/05/2024)

Q/L Quality of Life Unit 718-286-3445, 120-55 Queens Blvd., Kew Gardens NY 11424 – ROUND TRIP to my house – FuelCostCalculator.org shows 30.miles, 2.hour drive, NYSERDA (Nov.2022 \$3.75/gal. – Aug.2024 \$3.33/gal) average \$3.54/gal. (\$3.50 Rounded)
DoB Inspectors may be field TEAMS of two Inspectors, presumably using a fleet vehicle, consuming fuel, expelling fumes, adding to congestion.
+\$58.00 Hypothetical Building Inspector Jones – \$29/hour × 2.hour = \$58
+\$58.00 Hypothetical Building Inspector Smith – \$29/hour × 2.hour = \$58
\$116.00 Round Trip Q/L Quality of Life Unit to my house
+\$ 3.50 Fuel
+\$ 1.00 Undetermined vehicle insurance, vehicle wear, air pollution, traffic congestion

\$120.50 COST to Taxpayers on 11/18/2022 – delivery by NYC employees
\$120.50 COST to Taxpayers on 08/17/2024 – delivery by NYC employees
\$241.00 TOTAL COST to Taxpayers Hypothetical delivery by DoB employees

USPS.com/Ship/Insurance-Extra-Services.htm == Certified Mail®
“Prove you sent it [\$4.85+\$0.73]. See when it was delivered or that a delivery attempt was made, and get the signature of the person who accepts the mailing when combined with Return Receipt [\$4.10]”
+\$0.73 First Class stamp 1-ounce (economize with metered postage)
+\$4.85 Certified Letter
+\$4.10 Return Receipt (green card filled manually or affixed sender/addressee label)
\$9.68 COST to Taxpayers on 11/18/2022 – delivery by USPS
\$9.68 COST to Taxpayers on 08/17/2024 – delivery by USPS
\$19.36 TOTAL COST to Taxpayers CURRENT RATES USPS

\$241.00 TOTAL COST to Taxpayers Hypothetical delivery by NYC employees
\$ 19.36 TOTAL COST to Taxpayers CURRENT RATES USPS
\$221.64 HYPOTHETICAL TAXPAYER SAVINGS per non emergency document delivery

By contrast, when DoB did use USPS to deliver TIME SENSITIVE legal documents, 7.days passed in typing and 18.days passed in a OUTBOX of Recipient’s 60.days to comply with a legal mandate

Thanks for this opportunity to participate in NYC civics.

Josefina Sanfeliu – [REDACTED] – west159@yahoo.com
[REDACTED] Brooklyn NY 11215-4801

✓

Testimony 30 SEP 2024

I, J. Junior Gonzalez, tenant of [REDACTED] Nelson Ave., Bronx, New York 10453, submit this written testimony of how my sweat equity (HDFC apartment) has been under the demoralizing and unjust practice of the Third Party Transfer (TPT) program. I, along with over 20 families at [REDACTED] Nelson Ave., have been emotionally, legally, mentally, and psychologically burdened by a program that was set up to have deleterious effects on homeownership in New York City black and brown communities.

Throughout the past several years of TPT legal battles, I have developed a sense of not knowing what will become of the building I've called home since I was born. I, along with all my other neighbors, have grown up together and built strong ties with each other and within the community.

Today, I can proudly state that I've taken great pride in assisting in community cleanups, restorative justice programs, and charity events, and to a greater extent, I have served in combat as a US Marine for this country. It is truly disheartening to experience that the very flag I fought to protect along with its constitution is the very one that I have had to go up against domestically for what I and others have worked so hard to acquire and call our American Dream. But then again, one can argue that for most of us working-class citizens, it's called the American dream because you have to be asleep to believe it.

In conclusion, the investigations on the TPT have been conducted, and the injustices have been exposed. Now,, we have new proposed housing laws and a "new and improved" TPT reform bill to include its kinder and friendlier new name: Housing Rescue and Resident Protection Act. This city shouldn't forget what the "little guys" have done to rescue it, especially from its housing crisis dating back to the 1980s.

Siempre Fidelis,

Junior Gonzalez

9/30/2024

Kevin Laskey

[REDACTED]
New York, NY 10026

To the chair and committee members:

Thank you for time in discussing this important issue today. I would like to echo other contributions to the hearing by encouraging the city council to wait for the ending of the ongoing litigation regarding TPT before moving forward on this proposed bill. In addition, while I applaud some of the reforms in the proposed bill, I believe it does not go far enough to protect the housing of vulnerable New Yorkers. As a board member of an HDFC coop, I see my neighbors who've lived in the building for decades struggle to deal with the rising cost of maintenance and upkeep on fixed incomes. Stronger protections for limited income co-ops from TPT will help keep these hard-working and vulnerable New Yorkers in their homes and make these communities more sustainable in the long run.

Sincerely,

Kevin Laskey

THIRD PARTY TRANSFER PROGRAM

TESTIMONY

Although the TPT program was supposedly created by New York City local law to help communities, the program has not come close to the intent for which it was created. As a homeowner in the State of New York, I have had first- hand experience dealing with HPD.

It is my testimony that the Third Party Transfer (TPT) program has been weaponized by HPD to transfer properties and generational wealth from mostly black and brown communities to private investors. Exorbitant repair fees are added on to the homeowner's tax bill without proper notification (and sometimes without the homeowner's knowledge) which compounds the interest owed on property tax bills. For small homeowners, these fees are devastating and takes years to pay off, and for some, it results in foreclosure. In a reasonable world, no interest should be charged on arrears for homeowners who are under a payment plan.

Even the billing system for tax collection was changed to make it more difficult for homeowners to determine exactly how much taxes is owed and the amount which should be paid to avoid lien sales.

With the widespread problems facing New York with foreclosures, deed theft, equity theft and gentrification, the TPT program should be abolished or at the very least "stayed indefinitely" so that a city task force can genuinely address the issues facing homeowners.

Thank you

VANESSA GOANS

HOMEOWNER

Thomas Winston

█ St. Nicholas Avenue, Apartment █ New York, New York 10032
█; thomaswinstont@att.net or me@greene-cohenandwinston.com

30th September 2024

To: City of New York Council Members of the Committee on Housing and Buildings
Oversight: Third Party Transfer Program (TPT)

Thank you for having this hearing (Int 1063) to repeal sections 11-425, 11-426 and 11-427 relating to the Third Party Transfer Program agreements for payment of delinquent taxes and charges in installments.

The Third Party Transfer Program is a public private partnership administered by the Department of Housing Preservation and Development (HPD.)

The text consistently states “the commissioner of finance may also exclude or thereafter remove from such list any parcels which are owned by a company organized pursuant to Article XI of the private housing finance law with the consent and approval of the department of housing preservation and development” ...

“the commissioner of finance with assistance from the department of housing preservation and development may exclude or thereafter remove from such list any property that is a distressed property but where all of the hazardous or immediately hazardous violations of record of the of the housing maintenance code ...”

HPD pursuant to Article XI of the New York State Private Housing Finance has fiduciary responsibility to oversee its Participation Loans under transfer to a “third party” that supposedly develops housing development fund corporations (HDFCs) for ownership by resident tenants. The HDFCs become “distressed” when the “third party” takes out loans/mortgages without any input from resident tenants. The resident tenants are then responsible for mortgages that they did not approve and cannot afford. Furthermore, the “third party” does not invest the loans in the buildings to the benefit of the resident tenants.

My wife and I thus far have lived in conditions of disrepair for twenty (20) years that was caused by a ‘third party’ a nonprofit (SHUHAB) that was allowed to take a building that needed some repair to leave the building in mortgage debt with great disrepair, in conditions harmful to the health and safety of the resident tenants.

A “third party” solution in our opinion would be to have an “ombudsman” that works directly with the resident tenants to enhance the building from the inside. First focusing on the building infrastructure (heating, plumbing, wiring, common areas) then individual apartment repair if necessary. The Participation Loan would be utilized appropriately in partnership with the “ombudsman” and the resident tenants.

The department of finance and HPD transferred our building to Neighborhood Restore and SHUHAB for \$1.00 with no fiduciary oversight. This corruption and malfeasance has ended with a \$6 million dollar mortgage and great disrepair and suffering. Where did the money go?

I submitted prior Testimony to the Housing and Buildings Committee re the Third Party Transfer Program on the 26th April 2018 and the 22nd July 2019.

City of New York Council Hearings held by the Housing and Buildings Committee on the Third Party Transfer Program, 26th April 2018 (Committee Report, 7p; Testimony, 275p; Transcript, 209p): <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=3465116&GUID=1BC54EFF-A8C0-4A4A-B278-E939E85D17A8&Options=&Search=>

22nd July 2019 (Committee Report, 15p; TPT Hearing Slides, 34p; TPT. Hearing Testimony, 266p; TPT Hearing Testimony (Con’t), 1p; TPT Hearing Transcript, 271p); <https://legistar.council.nyc.gov/LegislationDetail.aspx?ID=>

Below is Testimony from 22nd July 2019.

Thomas Winston

**██████████ St. Nicholas Avenue, Apartment ██████████ New York, New York 10032
██████████; thomaswinstont@att.net or me@greene-cohenandwinston.com**

22nd July 2019

To: City of New York Council Members of the Committee on Housing and Buildings and the Committee on Oversight and Investigations: Third Party Transfer Program (TPT)

**Affordable Housing: Sponsor Enrichment!! Resident /Foreclosure/Poverty!!
Re: The misuse of public funds (including the HOME program) by housing development fund corporations in the creation of affordable housing programs under the auspices of the New York State Private Housing Finance Law (PHFL.)**

I, Thomas Winston and my wife, M.E. Greene-Cohen are the "First Shareholders."
Residing at [REDACTED] St. Nicholas Avenue, Apt. [REDACTED], New York, NY 10032

On May 1, 2000, I signed the lease for Apartment [REDACTED], located in [REDACTED] St. Nicholas Avenue. We entered into an Agreement/Contract with the then 7A Administrator of [REDACTED] St. Nicholas Avenue to lease Apartment [REDACTED] which had been vacant for over ten (10) years. The 7A Administrator did not have the funds to renovate and prepare the apartment for rental. The agreement between the parties entailed rent credits against the stated monthly lease while I conducted and paid for the renovation.

We entered into this agreement because it was an affordable investment that would allow us to consolidate our two households and cease to live separately. The building was slated to become a cooperative and we thought that our money, time and sweat equity investment would be rewarded over time.

In May 2001, the City of New York Commissioner of Finance conveyed 936-938 St. Nicholas Avenue ('The Building') to Neighborhood Restore in exchange for the sum of \$1.00. In December 2002, Neighborhood Restore conveyed the Building to SHUHAB HDFC in exchange for the sum of \$1.00. In July 2002, SHUHAB HDFC entered into an agreement with contractor Dellwood Construction to perform work at the Building. Dellwood was given a deposit of \$3,912,000.00 without Scope of Work compliance.

During this period, I served as Sergeant at Arms of the 936-938 St. Nicholas Avenue Tenants Association. After receiving many complaints from tenants regarding shoddy work, we formed a Construction Committee that I chaired, to monitor the work progress.

I and my wife did live happily in Apartment [REDACTED] until May 2004, when forced by a Relocation Agreement to vacate the premises for renovation/refurbishing by SHUHAB HDFC for a period of two to three months. Unfortunately, we were out of Apartment [REDACTED] for a total of thirteen (13) months due to SHUHAB HDFC's non-compliance with its own Relocation Agreement to hold its contractor responsible for shoddy and incomplete repairs as outlined in its TPT Scope of Work and to demand that its contractor perform according to City of New York building/housing codes. We began written complaints of disrepair on 1st September 2004.

In August 2005 we were informed by City of New York Department of Housing Preservation and Development (HPD) that a rent increase based on the costs of

renovation/mortgage would become effective. We informed HPD that the renovation was shoddy and incomplete and not deserving of a rent increase. We also informed public officials about our concerns regarding the misuse of public funds.

In April 2006, the Tenant Association engaged an engineer, Mr. John J. Flynn, P.E. to inspect the premises and prepare a survey. Some of the deficiencies highlighted in Mr. Flynn's survey: "Structural damage— "rambling cracks on the facades of the northeast and southeast corners of the building"; The necessity of reconnecting the detaching corners by means of structural shear connections and the reconstruction of several of the window soffits ...; Inadequate heating systems in three cellar apartments; Failure to remove all wiring and conduit not being used from the building walls; Failure to repair concrete stairs and install proper handrails; The roofing contractor's complete ignorance of the required roof and roof parapet work; Failure to place firestopping materials for opening in floors, walls between apartments and public spaces; Failure to properly install heating in the community room (the pipes are not in the wall, but rather run along the floor, creating a fire hazard); Demolition of the abandoned incinerator chimney; Inadequate installation of a boiler smaller than originally specified; Concern that should the Sponsor transfer ownership of the building to the Tenant Committee without first completing the items indicated above ... the obligation to correct the deficiencies will fall to the owner of record".

Also in April 2006, Precision Combustion Consultants, Inc. prepared a Preliminary Field Survey Report to confirm the proper installation of the new boiler system in accordance with the contract specification and to evaluate the boiler system's performance. This Report made several notable findings: "The current electrical wiring works is in violation of the DOB code requirements; There was asbestos hanging/falling off accessible areas of the basement, which could lead to contamination throughout the building because of a "plunger effect" of the up and down movements of the elevators in the elevator shaft. A continuation of the current sump pump operations may over a period of time create structural problems in the building. The fuel oil storage tank had never been cleaned, before or after the boiler installation. The boiler is not surrounded with sufficient fireproofing materials, in violation of DOB code, leaving open a risk that a fire could cause structural damage to the columns and steel I-beams. The report concludes that the heating plant installation "is not installed in full accordance" with the Contract and "and applicable NYC and NY code requirements"

SHUHAB HDFC, the Owner, did not make necessary repairs and included a clause stating "Accept the apartment [building] in the condition it is in at the closing date".

I and my wife remained as renters because we could not accept the eventual costs of repair to contractors' shoddy work that would be required of cooperators. This Scope of Work was at a cost of \$5 million dollars. Little of this amount was spent in Apartment █. The contractor did compromise our Renovation to make Apartment █ habitable. It has been estimated that it will require at least \$15 million dollars to correct this disrepair to the Building and apartments therein.

In September 2006, we filed decreased services, lack of lease and rent overcharge forms with the DHCR. The DHCR only recognized the request for a lease and denied our repair and rent overcharge requests because "HPD had certified the renovation and issued rent increases" Also in September 2006, I hired Professional Home Inspection Corp., Consulting Engineers to inspect Apartment █.

In July 2008, we appealed to the Supreme Court by an Article 78 Proceeding in our quest for repairs in Apartment 31 and the proper use of public funds pursuant to Article 15 of the New York State Private Housing Finance Law (SEE Verified Petition: **Index No. 109389/2008**) —No Certificate of Occupancy.

The Supreme Court only recognized our request for a lease and denied our repair and rent overcharge requests because "HPD had certified the renovation and issued rent increases." We filed A Reply Affidavit to DHCR's request for dismissal, an appeal to the Appellate Division, per Brief for Petitioners, Reply Brief for Petitioners, Motion for Reargument re "Ahmed", or Alternatively, Leave to Appeal to the Court of Appeals. We filed our Motion to the Court of Appeals on 4th November. Our Motion for Leave to appeal to the Court of Appeals was denied.

In July 2009, my wife, M.E. Greene-Cohen was denied lease renewal of her 33 year residency in Apt. █ located at █ West 72nd Street: "schedule: only visits the building to pick up her mail, uses the apartment as storage, believed to be residing with Thomas Winston at █ St. Nicholas Avenue".

In November 2009, Walber 72nd Street Associates/Walter & Samuels filed a Non-Primary Residence Holdover Proceeding against my wife's 33 year residency at █ West 72nd Street (**Index No. 92576/2009**.) Their prima facie evidence was the Verified Petition, **Index No. 109389/2008**.

In April 2013, the court denied all my wife's Affirmative Defenses in the Non-Primary Residence Holdover Proceeding and issued a Warrant of Eviction. She filed an appeal.

In May 2013, Flabbergasted that my wife could be evicted from her premises based upon an appeal to a governmental agency, I began to write "To Whom It May Concern" Affordable Housing: Sponsor Enrichment!! Resident/Foreclosure/Poverty!! Re: The misuse of public funds (including the HOME program) by housing development fund corporations in the creation of affordable housing programs under the auspices of the New York State Private Housing Finance Law (PHFL) (SEE Thomas Winston ... To Whom It May Concern: Dated 5th May 2013, Updated 26th June 2015)

In November 2014, I filed an Article 78 proceeding regarding rent overcharges and requested that DHCR provide a forensic financial, structural, and architectural accounting of renovations in Apartment ■ and the Building. (SEE Verified Petition **Index No. 101294/2014**) The proceeding was dismissed May 1, 2015.

An appeal to a governmental agency is protected from retaliation pursuant to Real Property Law §223b.

In March 2016, to understand the various respiratory and health problems we are experiencing, I hired Microecologies, Inc. to perform an environmental inspection.

Since Fall of 2004, The Residents of 936-938 St, Nicholas Avenue have suffered the perpetuation of a fraudulent refurbishing/renovation that has resulted in a "sick" building that needs to be made whole. Renovation was not performed per the Scope of Work. Inferior [poisonous] building material was used. The shoddy work has resulted in creating environmental and structural conditions that effect residents' health, morbidity and mortality. The building is mold infested, seen and unseen. Respiratory, cardiovascular, pulmonary illness and broken hearts abound.

For example, in this fifty-one (51) unit building, ten (10) residents have died from initial symptoms that include respiratory distresses and memory loss. The contractor was given a deposit of \$3,912,000.00 without scope of work compliance.

Residents have recently learned that the building's lack of a Certificate for Occupancy is a violation of the City of New York Multiple Dwellings Law §301. How/Why was a mortgage granted without a Certificate of Occupancy?

The **Job No. 103324653** which was/is the permit for the 2002-2004 construction work in 938 St. Nicholas Avenue, Block 2107, Lot 20 is still **Open at the City of New York Department of Buildings (DOB)**. The Work remains Incomplete. The Contractor willfully misfiled the Job so that it did not reflect the true cost of the Scope of Work and compliance with the Multiple Dwellings Law. There was No Certificate of Occupancy

in 2006. There is NO Certificate of Occupancy NOW. How/Why was a mortgage granted without a Certificate of Occupancy? An ALT 1 should have been filed with the DOB. The mortgage amounts of approximately \$6 million dollars require an ALT 1 filing and a Certificate of Occupancy.

Please note the document file for the foreclosure action that commenced in 2013 under the auspices of Judge Joan Madden and dismissed dated July 31, 2018: "Ordered that plaintiff's foreclosure action is dismissed in its entirety without prejudice; and it is further Ordered that the temporary receivership of Daniel R. Milstein is terminated and Mr. Milstein shall be fully discharged as Receiver upon court approval of his final accounting":

850011 – 2013--

<https://iapps.courts.state.ny.us/nyscef/DocumentList?docketId=P7AHkVkJAJoalJnTcmWwrEA=&display=all&courtType=New%20York%20County%20Supreme%20Court&resultsPageNum=1>

Unfortunately, the mortgage note was transferred to a new lender for the third time during the dismissed foreclosure action. The new lender served the building and shareholders with a new foreclosure action on Wednesday, 5th September. It is assigned **Index No. 850233-2018--** New York County Supreme Court

Short Caption: 938 ST. NICHOLAS AVENUE LENDER LLC, - v. - 936-938
CLIFFCREST HOUSING DEVELOPMENT FUND CORPORATION et al

Case Type: Real Property - Mortgage Foreclosure - Commercial

Case Status: Pre-RJI;

<https://iapps.courts.state.ny.us/nyscef/DocumentList?docketId=YjmbXxmT0PYGZOFID8uTig=&display=all&courtType=New%20York%20County%20Supreme%20Court&resultsPageNum=1>.

The Managing Member of 938 ST. NICHOLAS AVENUE LENDER LLC, Mr. David Aviram, is also the Principal and Director of Acquisitions for Maverick Real Estate Partners (www.maverickrep.com), "a private equity fund manager that acquires loans, mechanic's liens and judgments secured by real estate"

We ask that you take direct action to help end the rampant abuse of the American legal system and the unjust application of the law, whether de jure or de facto in the City and State of New York. People are evicted, harassed and abused by those who use resources to manipulate the Courts. The Courts have failed in supervising themselves and the

attorneys who capitalize on these unfortunate circumstances. Whether it is the lawyer that uses the legal system to throw families out of their homes or the judge that endorses them, things cannot continue like this. I ask that you take direct action to order an outside independent agency to investigate how tax payer dollars are being coopted.

The affordable housing programs in the City of New York are corrupted by the fraudulent use of federal HOME funds and other public monies in “economically targeted investments.”

Particularly egregious in facilitating the fraudulent use of public monies is the Tenant Interim Lease Program (TIL), the Third Party Transfer (TPT) Program and the Affordable Neighborhood Cooperative Program (ANCP) created and administered by the Department of Housing Preservation and Development (HPD) and its Participation Loan Program, under the auspices of Article 11 and Article 15 of the New York State Private Housing Finance Law.

HPD arranges sponsor/developer access to public monies ostensibly to provide affordable housing to residents. In fact, sponsors and developers are enriched and residents are left with damaged property and unmanageable debt. The predatory lending scheme threatens the retirements of workers vested in City of New York pension funds that are guaranteeing these programs i.e. “economically targeted investments” .

Furthermore, residents are subjected to “breaches of law” that include deprivation of rights under the 5th Amendment to the U.S. Constitution, mortgage fraud, inverse condemnation, regulatory taking (ultra vires, unjust enrichment) and violations of Truth in Lending Laws.

For example, in the City of New York, 644 Riverside Drive is saddled with a \$46 million dollar mortgage, 540-550 West 144th Street saddled with a \$14 million mortgage, 50 West 112th Street, 86 West 119th Street, 477 West 142nd Street and other buildings are at risk and at the mercy of predatory lenders.

Respectfully submitted.

Thomas Winston

■ St. Nicholas Avenue, Apt. ■

New York, NY 10032

Cell: ■ thomaswinstont@att.net or me@greene-cohenandwinston.com

**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: Christie Peck

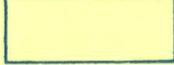
Address: _____

I represent: Center for NYC Neighborhoods

Address: 60 Broad St, 24th Fl NY NY 10004

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. 1063 Res. No. _____

in favor in opposition

Date: Sept 30, 2024

(PLEASE PRINT)

Name: Annie Wilson

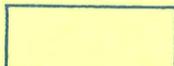
Address: [Redacted] New York, NY 10009

I represent: myself as cofounder TA/HDFC

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card



I intend to appear and speak on Int. No. 1063 Res. No. *

in favor in opposition

Date: 9/30/2024

(PLEASE PRINT)

Name: Paula Segal

Address: _____

I represent: Abolish the Tax Lien Sale Coalition

Address: Take Root Justice

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1063 Res. No. _____

in favor in opposition

Date: 9/30/2024

(PLEASE PRINT)

Name: Adam Roberts

Address: _____

I represent: New York Apartment Association (NYAA)

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: 9/30/24

(PLEASE PRINT)

Name: JALVAADICE D Avale

Address: 150 Broadway NY NY

I represent: Neighborhood Pastore

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: Adrienne Hill

Address: _____

I represent: DOF

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: Albert Kessinger

Address: _____

I represent: DEP

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: 9/30/24

(PLEASE PRINT)

Name: JOSEFINA SANFELIU

Address: BROOKLYN 11215

I represent: DUE PROCESS FOR HOMEOWNERS

Address: SAME

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1063 Res. No. _____

in favor in opposition

Date: 9/30/24

(PLEASE PRINT)

Name: Danica Rashad

Address: 100 Gold St

I represent: HPD

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. 1063 Res. No. _____
 in favor in opposition

Date: 9/30/24

(PLEASE PRINT)

Name: Keeg [redacted] LaBotz

Address: 100 Gold St

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1063 Res. No. _____
 in favor in opposition

Date: 9/30/24

(PLEASE PRINT)

Name: Kimberly Danga

Address: 100 Gold St

I represent: HPD

Address: _____

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1063 Res. No. _____
 in favor in opposition

Date: 9/30/24

(PLEASE PRINT)

Name: Ana Maria Santiago

Address: 100 Gold St

I represent: HPD

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: THEO CHINO

Address: _____

I represent: SOCIAL DEMOCRATS OF

Address: AMERICA

**THE COUNCIL
THE CITY OF NEW YORK**

Appearance Card

I intend to appear and speak on Int. No. 1063 Res. No. _____

in favor in opposition

Date: 9/30/24

(PLEASE PRINT)

Name: Patrick Boyle

Address: 1 Whitehall

I represent: Enterprise

Address: 1 Whitehall

**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: Richard Reid

Address: _____

I represent: 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: 9/30/24

(PLEASE PRINT)

Name: WILL DEPO

Address: _____

I represent: AVHD

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: 9/30/24

(PLEASE PRINT)

Name: Will Spisak

Address: 121 W 27th St

I represent: New Economy Project

Address: 121 W 27th St

▶ 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. 1063 Res. No. _____

in favor in opposition

Date: 9/30/24

(PLEASE PRINT)

Name: Arnell Hersh

Address: 120 Wall St, New York NY 10005

I represent: UHAB

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: 9/30/24

(PLEASE PRINT)

Name: Christopher Lee Johnson

Address: _____

I represent: SCIP

Address: _____

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