

CITY COUNCIL
CITY OF NEW YORK

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TRANSCRIPT OF THE MINUTES

Of the

COMMITTEE ON HOUSING AND BUILDINGS JOINTLY WITH
COMMITTEE ON OVERSIGHT AND INVESTIGATIONS

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HELD AT: COUNCIL CHAMBERS - CITY HALL

B E F O R E: ROBERT E. CORNEGY, JR.
Chairperson

RITCHIE J. TORRES
Chairperson

COUNCIL MEMBERS: Fernando Cabrera
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A P P E A R A N C E S (CONTINUED)

Louise Carroll, Commissioner of Housing,
Preservation and Development, HPD

Ann-Marie Hendrickson, Deputy Commissioner for
Assets and Property Management, Housing,
Preservation and Development, HPD

Kim Darga, Associate Commissioner, Division of
Preservation at Housing, Preservation and
Development, HPD

Lisa Talma, Assistant Commissioner of Property
Disposition and Finance, Housing, Preservation
and Development, HPD

Jeffrey Shear, Deputy Commissioner for Treasury
and Payment Service, Department of Finance

Carmen Quamina, Property Owner with seized
property, 580 East 84th Street, Brooklyn, NY 11236

Yola Nicholson, Representing Mr. Dorsey

Matt Berman of Valli, Kane & Vagnini,
Representing Mr. Dorsey.

Roy Dixon, Ropes & Gray, Representing Mr. Dorsey

Nicola Dorsey, Building Owner at 373 Rockaway
Parkway, Brooklyn, NY 11212

Jason Wu, Staff Attorney, Legal Aid Society

Anthony Drummond, Appearing for Eric Adams,
Brooklyn Borough President

Caroline Nagy, Deputy Director for Policy and
Research, Center for New York City Neighborhoods

Stephanie Sosa, Senior Associate for Housing
Development Policy, Association for Neighborhood
and Housing Development, ANHD

Blanca Vasquez, HDFC Coalition, Anti-Foreclosure
Committee

Dr. Raphael K. Works, Chairman, CEO and Founder
of Veterans Development Initiatives

Scott Lavery, Director of Advocacy and Government
Young Advocates for Fair Education, YAFFED

Glory Hussy Kerstein, HDFC Shareholder & Member
of HDFC Coalition

Beverly Curry, Brooklyn Coalition HDFC

Shavon Dolan, Lives in Secure HDFC

Carlton Boroughs

Thomas Winston

Mary Elizabeth Green-Cohen

Sean Abbott

Emily Kurtz, Vice President of Housing, RiseBoro
Community Partnership, Serves on Community Board
7 & Vice President, Chamber of Commerce

Sandra Erickson, President of Real Estate
Management & Certified MBWE

Bobby Wells

Isabel Adon, 1600 Nelson Avenue, HDFC Bronx

Frank Ramon Fuentes, Board President, 424 East
115th Street HDFC

Kasiah Antonio, 1211 Washington Avenue, HDFC
Appearing for his mother Cali Antonio

Karen Wakely Ward, People's Committee
Deanne McDonald

T. Wright

Somana Harris

Tio Chino

Annie Wilson

Reverend Dr. Michael Storm

2 [sound check] [pause]

3 CHAIRPERSON CORNEGY: This hearing will
4 begin momentarily. We're waiting on the arrival of
5 the Administration.

6 CHAIRPERSON TORRES: Was—was the
7 Commissioner, we're waiting on the Commissioner. Oh,
8 yes she's coming. The Commissioner is coming.

9 [pause] [gavel]

10 SERGEANT-AT-ARMS: Quiet, please.

11 CHAIRPERSON CORNEGY: Good afternoon,
12 everyone. I'm Council Member Robert Cornegy Chair of
13 the Committee on Housing and Buildings. I'd like to
14 thank Council Member Torres, Chair of the Committee
15 on Oversight and Investigations and other members of
16 the Committee on Housing and Buildings and Oversight
17 and Investigation for joining this oversight hearing
18 on the Third Party Transfer process. The Third Party
19 Transfer Program established by Local Law 1996 was
20 created in an effort to remedy the widespread problem
21 of landlords abandoning distressed properties, and
22 the subsequent burden on the city to take ownership
23 and rehabilitate those properties. The goal of the
24 Third Party Transfer is to target the absolute worse
25 properties, and to restore them to well managed

1 financially sound buildings. By 1994, the city owned
2 and managed over 5,000 properties many of which were
3 dilapidated multi-family units requiring costly
4 repairs. Through the Third Party Transfer process
5 the city would foreclose on properties with
6 outstanding tax liens, and subsequently transfer them
7 to third parties who would then complete their
8 rehabilitation. After rehabilitation, tenants will
9 be given either the opportunity to collectively
10 purchase the properties or alternatively rent
11 regulated leases. If the property was a shareholder
12 owned HDFC cooperative the HDFC shareholders would
13 lose their equity and become renters. Any equity held
14 by the property owner would also be lost. The
15 Department of HPD selects properties for TPT that are
16 statutorily distressed meaning that they are subject
17 to tax liens that have a lien-to-value ratio of 15%
18 and that have an average of five or more hazardous
19 or immediate hazardous violations per dwelling unit
20 or subject to tax liens of \$1,000 or more. The
21 process for deeding a property can be convoluted.
22 During the TPT process from the time the property is
23 selected for inclusion until four months. After a
24 foreclosure judgment has been entered, the owner can
25

2 pay the full amount of taxes owed or enter into a
3 payment plan. Confusingly, tax liens can include
4 water bills. Payments for outstanding tax bills are
5 paid to the Department of Finance while water bills
6 are paid to the Department of Environmental
7 Protection. Therefore, homeowners can pay an
8 outstanding tax bill to the Department of Finance
9 without understanding that the unpaid water bill
10 could lead to the foreclosure of their property.
11 Since 1996 the city has competed ten rounds of TPT.
12 Round 10 in particular was problematic. During this
13 round the city selected 420 properties a number of
14 which were in my district that were worth
15 significantly more than the amounts owed to the city,
16 which were otherwise well maintained, and which did
17 not appear to meet the definition of statutorily
18 distressed. The properties selected for inclusion
19 were primarily located in gentrifying areas of the
20 city many owned by people of color where property
21 taxes, I mean where property values had increased
22 many fold from the date of purchase. In one
23 particular egregious case, my constituent a retired
24 nurse named Arlene Saunders who owned a well-
25 maintained fully paid off \$2 million brownstone in

1 Crown Heights, had her property transferred from
2 underneath her because she owned DEP \$3,792.20 in
3 water bill charges. Ms. Saunders received a notice
4 from the city that her property was in danger of
5 foreclosure, but when she sought assistance from the
6 Department of Finance, she was told to ignore the
7 notice because they believed that it may be a scam.
8 Her son paid the outstanding water bill, but the
9 property was transferred nonetheless. At this
10 afternoon's hearing, we hope to receive testimony
11 that will shed light on what went wrong during Round
12 10 of the Third Party Transfer Program, and to
13 prevent future occurrences that will further lead to
14 the displacement of people of color in gentrifying
15 parts of this city. I'd like to thank my fellow
16 committee members today, and I'd like to now hear
17 from my colleague and--and Chair of Oversight and
18 Investigations, Chair Ritchie Torres.

19
20 CHAIRPERSON TORRES: Thank you, Council
21 Member. Good morning. I'm City Council Member
22 Ritchie Torres and I chair the Committee on Oversight
23 and investigations. The Third Party Transfer Program
24 although conceived in 1996, is the product of hard
25 lessons learned from the 1970s. Arson and

1 abandonment back then became so widespread that by
2 1979 the City of New York had foreclosed upon and
3 taken ownership of 100,000 units of housing. Those
4 in rem units of housing so poorly managed and
5 maintained by HPD fell into ever deeper disrepair.
6 After failing as a landlord, the city in 1996 founded
7 the Third Party Transfer Program as an alternative to
8 directly owning and operating in rem housing. What
9 began as a focused anti-abandonment initiative forged
10 in the aftermath of 1970s New York, has become
11 something far more expansive, far more excessive and
12 far more entangled with America's treacherous history
13 of race and homeownership. In the Post-War Era when
14 the federal government began subsidizing
15 homeownership on a mass scale, communities of color
16 were left behind. The practice of redlining
17 systematically excluded people of color from owning
18 home and building wealth that could be passed down
19 from one generation to the next. It is hardly
20 accidental that black and brown wealth are
21 vanishingly rare in America, nor is it accidental
22 that the racial wealth gap is far wider than the
23 racial income gap. The Post-War loss of
24 intergenerational wealth has done communities of
25

1 color great harm. The consequences have been long
2 and lasting. Both our city and our country continue
3 to be haunted by the specter of redlining. Give its
4 history of racial exclusion from homeownership, we
5 must subject to the strictest scrutiny any public
6 policy that strips away intergeneration--
7 intergenerational black and brown wealth. The cruel
8 irony of the Third Party Transfer Program is that a
9 program whose purpose is preservation has come to
10 represent in the minds of many the destruction of
11 homeownership in communities of color. We are here
12 to examine TPT's impact on communities of color,
13 HDFCs and small family homes like that of Maureen
14 Saunders. Equally important, we will examine in
15 detail the lack of accountability, consistency and
16 transparency surrounding HPD's process of selecting
17 properties for Third Party Transfer, especially in
18 Round 10. TPT can indeed be a powerful tool for
19 rescuing properties from a spiral of debt and
20 disrepair, but it also could be a blunt instrument
21 when applied too broadly and carelessly. The
22 weaponization of TPT against intergenerational black
23 and brown wealth is an outcome that we will not and
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25

2 cannot accept here in the City Council, not now, not
3 ever. The time for reform is long overdue.

4 CHAIRPERSON CORNEGY: I'm going to take
5 this opportunity to hear directly and get some
6 remarks from Public Advocate Jumaane Williams.

7 PUBLIC ADVOCATE WILLIAMS: Thank you, Mr.
8 Chair. My name Jumaane Williams and I have the
9 pleasure of serving as the newly elected Public
10 Advocate for the City of New York. Before I get into
11 my remarks, I just want to thank Chairs Robert
12 Cornegy, Jr. and Ritchie Torres for calling this
13 hearing. I also want to thank all of you in the
14 room, committee members and fellow New Yorkers here
15 to testify for your participation on the most
16 important issue facing New Yorkers, affordable
17 housing. I'm thankful the Council has called this
18 hearing to discuss the findings of the investigation
19 to New York City's Department of Housing Preservation
20 and Development, the Third Party Transfer Program. I
21 look forward to discussing the findings and charting
22 the best course of action. Before serving as an
23 elected official, I was a tenant organizer working to
24 improve housing affordability. I know first hand the
25 monumental challenges associated with finding and

1 keeping a place to live. Just owning a home in
2 Brooklyn today costs over \$1 million on average. I'm
3 very proud of the work we did in succeeding with the
4 Senator pass a strongest protections of tenant rights
5 in decades as well. These reforms must extend to our
6 housing programs in the city specifically TPT.

7 According to HPD, this program was created 20 years
8 ago to preserve quality affordable housing and to
9 force tax payment. Since it began, although the TPT
10 has taken more-over more than 500 buildings made up
11 of over 6,500 units for mostly female headed
12 households and senior citizens. In 2018, reports
13 emerged showing that over 60 properties of black and
14 brown homeowners in lower-income neighborhoods have
15 placed-and were placed in TPT often without the
16 homeowner's knowledge. The program has evolved into
17 what appears to be a gentrification scheme that makes
18 equity, takes equity away from the very people the
19 program is intended to help because of the method TPT
20 uses to identify distressed clusters of neighborhoods
21 targeted for potential seizures simultaneously. It
22 has help catalyze gentrification in areas like
23 Canarsie, East New York where Black and Hispanic have
24 disproportionately lost their homes. New Yorkers
25

1
2 deserve a government that fights to keep a roof over
3 their head not one the benefits from taking...taking
4 it away. Nearly two years ago, I introduced
5 legislation to the newly hired (sic) TPT and
6 conducted a thorough review and information gathering
7 process, introduced with T-1315 with a public two-
8 year moratorium on TPT and require quarterly
9 reporting. Preserving—preserving homeownership in
10 low-income female headed and senior communities of
11 more color is essential to preserving equity in the
12 diverse New York City. Home ownership is one of the
13 most important ways for a family to build and
14 transfer wealth from one generation to the next. A
15 single foreclosure can lead to homelessness and the
16 loss of generations worth of wealth for a family. No
17 family in New York should have endure this, and no
18 family should have their home taken—homeownership
19 taken away. I urge the committees and the Council to
20 hold HPD and others accountable and to their mandate
21 to preserving quality affordable housing for every
22 New Yorker especially including those who need it the
23 most.

24 CHAIRPERSON CORNEGY: Thank you, Public
25 Advocate. At this time, we're going to ask to hear

2 testimony from, um, Marlene Saunders in the—in the
3 presence of her son Paul Saunders. If you would just
4 join us at the podium. [pause] So, I realize that it
5 is unorthodox to not hear from Administration before
6 testimony, but I think it's important to see and hear
7 from a family who was adversely affected by the Third
8 Party Transfer Program first.

9 PAUL SAUNDERS: Hello, and good afternoon,
10 ladies and gentlemen and members of the City Council.
11 My name is Paul Saunders. I'm the son of Marlene
12 Saunders. I was born and raised in Brooklyn. My dad
13 is over there as well. The property has been our
14 home for about 40 years. So, I got involved in this,
15 um, by chance. Normally I—I go down to Department
16 of—of Finance just to make sure the taxes are current
17 and paid for to keep the property out of any types of
18 problems. So, actually in—in April I went down to
19 double check on the taxes, and made a payment that
20 should bring everything current. So, I thought
21 everything was fine until about a month or so later,
22 I started receiving random notices on the door. It
23 was simply like a page that was affixed to the door
24 that said, you know, Tenant Notice of Upcoming
25 Building Inspection, a chance the you might be in

1 foreclosure. So, when I saw that notice, I—I merely
2 went back down and back down to the Department of
3 Finance on Jarelemo, and I went to the rep and I said
4 look and I received a notice on my door. Here's a
5 receipt of the payment I made for the taxes and
6 trying to see what was going on. Unbeknownst to me,
7 the payment that I made via check was deducted from
8 the checking account, but was never applied to the
9 actual account in the Department of Finance. So,
10 there was still a balance now showing even though the
11 money was deducted from the account, which we found
12 that to be rather odd. So, there was like a thought
13 process of talking to rep to see what was going on.
14 The email pinged around to different members I the
15 Department of Finance just to figure out why the
16 payment has...was accepted and they told me about a,
17 um, In Rem process, and so they said look, you know,
18 contact the Water Department and to see, um, you
19 know, what's going on. You know, we see that your
20 taxes, you know, have been—we see that you've made a
21 payment because of the receipt. Um, so I went to the
22 Department of Water and I said, look, you know, we
23 were at the Department of Finance and said to come
24 over here there might a, or might be there is
25

1 potentially a water bill that's owe. I said, you
2 know, I'd like to pay it. She said, look, you can
3 make a payment except that they're saying that
4 there's an In Rem process of what's going on, but
5 they didn't really know, um, they didn't really have
6 any details because on the Water Department's
7 computer it looked like it was an account that had a
8 balance that was in no means being taken or
9 foreclosed or anything like that. So, the computer
10 system didn't show that there was anything that was a
11 problem. Um, so fast forward a little bit after
12 that, um, I've gone to both departments. Everything
13 kind of really culminated after speaking to HPD
14 because I-I wanted to figure out what was happening
15 next. So, I spoke to HPD about the problem and they
16 said, Look, you know, we see that there's no
17 particular issue with the property taxes, but check
18 on your water. So, then again, there was no data you
19 have to check by a certain or time or this is what
20 can happen to you. They said just check the water.
21 So, once DEP told me that there was no problems that
22 I was just trying to make normal payments as to just
23 extinguish the debt to the Department of Water. So,
24 around September-I believe around September 5th, I
25

1 wound up seeing a notice on the door that said that,
2 you know, Notice to Residents of the Property. The
3 building has been transferred and the new property
4 manger is Bridge Street, and there's a document that
5 literally is affixed to the door that didn't like
6 official. It looked fake. So, once again, I went
7 back to the department. I said, look the notice.
8 Here's the notice I received, and like they really
9 had no clue about TPT. So, I have to do my own
10 investigating about the TPT Program, which was late
11 on the on note, and it basically stated that-- there
12 was very limited information on New York City's
13 website about TPT or the process. You couldn't
14 discover anything, and literally, the only thing that
15 I found was just a simple--a simple one-page of a few
16 sentences that said, you know, HPD's Third Party
17 Transfer Program, um, designates--designates qualified
18 sponsors to purchase and rehabilitate the distressed
19 vacant and occupied multi-family properties in order
20 to improve and preserve housing affordable to low to
21 moderate income households. It's a very broad
22 statement, and I was just curious of why the property
23 actually gotten into the program. I had no notice
24 before. The property hasn't been--it's not
25

1 distressed. It's well maintained. Everything is
2 current. Uh, we've had, um, no formal complaints for
3 over 30 years. So, literally like nothing has
4 happened over the time. So, we were just really
5 curious about the process of the property going into
6 this Third Party Transfer Program. So, during that
7 time, my mother and my dad were stressed. I mean my
8 mother's heart pressure. We went to the doctor's
9 office. I mean literally like the thought of us
10 losing a house for, you know, a water bill of roughly
11 \$3,000 is just like something that was just—I mean
12 the state of depression, and the state of it looks
13 like physical like here that it put my parents in was
14 really devastating to me. So, during that time we—we
15 just really tried to mobilize. We—we went to our
16 Council Member's Office. We went to Council Member
17 Carlina's (sic) office to say, Look this is what's
18 happening, and then literally it was like a whirlwind
19 of approach like I think that, um, one of the issues
20 I have with the program is that it--it feels like it
21 targets elders, and if my didn't have me around to
22 actually do the work to go to HPD or go to DEP or
23 send email. You know, I actually have the email
24 trail of the communication with HPD. Just to
25

1 understand email to understand how to use technology
2 to be a—to be a support system it would be very
3 difficult for mostly any senior that has to deal with
4 this program or the process or you even trying to
5 retrieve it. The energy that it took just to even be
6 able to take time off from work to actually go
7 through this process, I mean a lot of people wouldn't
8 even been able to have the luxury to take the time to
9 fight or to gather support. So, through—my mom has
10 been a nurse for years, and like to me will be the
11 last person that it can—it can happen to just because
12 of just being diligent and trying to take care of
13 things but, yeah, you know, we fell behind on the
14 water, but we never thought that, you know, this
15 process would ever happen because of the lack of
16 information. The other thing that was so interesting
17 was that, um, no one really knew what TPT was. Like
18 in many offices like there was a scarce meaning of it
19 or like an understanding, and the guidelines seem
20 like it was—You know, it didn't really have a precise
21 guideline or—rules of saying just looking, this
22 will qualify this, and what's the pros? That was so—
23 so scarce that I really had a problem identifying why
24 this property fell into the program in the first
25

1 place. Um, what I think many people in this room have
2 as well. Excuse my voice, but I'm cracking a little
3 bit. Sorry. It's my first time being in this
4 [laughs] being here. This is called the Chambers?
5 Yeah, okay, okay, being in the Chambers. Um, I
6 sorry. The other thing that I discovered when we
7 spoke to the attorney was that when she looked at the
8 houses that was in this program, it seemed like most
9 of the houses were like hyper focused on like
10 communities of color and just it seemed like it was
11 hyper focused on elders, and that was—that was—I
12 don't know why, but it just—the actual if you dotted
13 it out, and put it on like a map, but it seems like
14 there were certain neighborhoods that were hyper-
15 focused, and that was another concern to myself, and
16 just understanding like my neighbors. Like a lot of
17 my neighbors next—to the left and the right of me are
18 all over 65, and most people that are on the block
19 are like way over—they are just seniors. Um, so I
20 can—I can see this potentially happening to more
21 people that really need to have proper notification.
22 I think just—just seeing that my—at my mom's place
23 you get a lot of spam mail that says, you know,
24 credit this, credit that or we're looking to buy your
25

2 home. We must get a letter a day about someone
3 looking to buy our home. So, and it's on generic
4 papers and sometimes it's pasted to the door. So, I
5 think that the notification of this program or this
6 process is—is really not helpful to senior who are
7 very skeptical or very—I mean I'm skeptical, and I—
8 and I read the documents. So, like it's—it's very
9 hard for them to—to understand what's happening. I
10 think the communication process has been—it's been
11 off in terms of how to communicate proper documents
12 to seniors, and how to make sure that they're well
13 informed or how to—how to really reach them. Um,
14 even though my mom had me, it was still difficult for
15 us to really get this problem to light and I think
16 the, um, So, when the press (sic) picked it up as
17 well as the other, um, political leaders Mr. Carlo
18 (sic) is the one that's actually pushed to make this
19 a—a topic of interest for everyone, but I mean a lot
20 of people have lost their homes, and I would be so
21 sad to see more people lose their homes. I mean
22 especially one that my parents have worked hard for.
23 Over 40 years they...they purchased that home, and they
24 went through the trials and tribulations. I remember
25 as a kid not even being able to walk safely down our

2 block, and then to maintain something for all these
3 years and decades to get to the point that it's
4 flourishing in a neighborhood that prosperous and
5 things are happening that, you know, people that have
6 been here for the long haul should be able to, um,
7 maintain that--that--that--that cherished place of home
8 as well as that asset to even pass onto future
9 generations and to help the community throughout.
10 Thank you so much, and I just want this thing
11 repealed. You know, it needs to be gone.

12 CHAIRPERSON CORNEGY: So, so, Paul, I
13 want to thank you for your testimony. I think that
14 it was important to be able to put--to set the tone of
15 the hearing by putting a name and a face and a
16 circumstance to what we're going to explore here
17 today. I know your father is here. Just tell your
18 mother we are working diligently, and I want to thank
19 your family for while, if I'm not mistaken, you guys
20 have received your deed back--

21 PAUL SAUNDERS: Yes.

22 CHAIRPERSON CORNEGY: --and you're--and
23 you're out of harm's way, but to continue to beat the
24 drum for other people who may find themselves in this
25 circumstance I think is admirable to both yourself

2 and your family. So, I want to—I want to thank you
3 not only for your testimony, but for continuing to
4 fight to make sure that other people who find
5 themselves in the same circumstance as your mom and
6 dad, have a voice and so—so thank you so much. Your—
7 your mother is a tremendous advocate within the
8 community and you would think like you said that this
9 wouldn't happen to her in particular--

10 PAUL SAUNDERS: Yeah.

11 CHAIRPERSON CORNEGY: --but I want to
12 thank you for continuing to fight to make sure that
13 other people are at least aware of what could
14 potentially happen in certain circumstances.

15 PAUL SAUNDERS: Thank you

16 CHAIRPERSON CORNEGY: Thank you for your
17 testimony.

18 PAUL SAUNDERS: Thank you and I'm happy
19 to have the—the deed back, and thank you to the
20 Councilman Steve as well as everyone that's helped
21 Mr. Caldwell. We're happy to say we got it back, and
22 we want others to get theirs back as well because
23 it's a very terrifying experience. Thank you.

24

25

2 CHAIRPERSON TORRES: I have a few—just a
3 quick few questions. How long has the home been in
4 your family?

5 PAUL SAUNDERS: Over 30 years.

6 CHAIRPERSON TORRES: For 30 years. What's
7 the—do you know the market value of your home?

8 PAUL SAUNDERS: Um, \$2 million about now
9 compared—comparable to sales on the—on the market.

10 CHAIRPERSON TORRES: And—and if I
11 understood your testimony correctly, were it not for
12 you, your mother would have lost the property.

13 PAUL SAUNDERS: Absolutely. She would not
14 have the energy I mean to—to fight absolutely not.

15 CHAIRPERSON TORRES: Thank you.

16 CHAIRPERSON CORNEGY: So, at this time
17 we're going to ask the Administration to be seated.
18 Once you've been seated, we're going to ask you to be
19 sworn in. If you could identify yourself for the
20 record. While you're taking your seat I do want to
21 just make a brief statement. You know, for me, I
22 feel like I've worked diligently with HPD to give it
23 latitude or the latitude it needed to explain itself,
24 and I've wanted to provide a space for an impartial
25 hearing. Given the facts, though, it's very

1
2 difficult for me to stay in that space. Some of
3 these cases are so egregious like the one we heard
4 earlier that it—that it's very difficult to remain
5 tempered, um, when the focus primarily has been in
6 Brooklyn in particular in my district, which has the
7 lion's share of Third Party Transfer in Northern
8 Crown Heights in particular. So, I am going to
9 attempt for the record to be—remain impartial, but it
10 is incredibly difficult watching the transfer or the
11 potential transfer for wealth in communities of
12 color. In particular, the last bastion black
13 homeownership, black political power, black
14 ecumenical power, black entrepreneurship in the city,
15 and the potential for the city to actually be
16 culpable potentially in removing some of that, makes
17 it difficult for me as the chair to remain silent.
18 So, I'm going to ask you at this time to identify
19 yourselves for the record, and be sworn in please.

20 COMMISSIONER CARROLL: Good afternoon,
21 Chair Cornegy, Chair Torres and other Council
22 Members. My name is Louise Carroll, and I am the
23 Commissioner of Housing, Preservation and
24 Development, and with me are some of my colleagues.
25 Go ahead and introduce yourself.

2 ASSOCIATE COMMISSIONER DARGA: Kim Darga.

3 I'm the Associate Commissioner for the Division of
4 Preservation at HPD.

5 COMMISSIONER CARROLL: And to my left.

6 ASSISTANT COMMISSIONER TALMA: Lisa
7 Talma. I'm the Assistant Commissioner of Property
8 Disposition and Finance.

9 DEPUTY COMMISSIONER SHEAR: My name is
10 Jeffrey Shear. I'm with the Department of Finance.
11 I'm Deputy Commissioner for Treasury and Payment
12 Services.

13 LEGAL COUNSEL: Put your right hand up.
14 Do you affirm to tell the truth, the whole truth and
15 nothing but the truth in your testimony before this
16 committee, and to respond honestly to Council Member
17 questions?

18 PANEL MEMBERS: [in unison] Yes, I do.

19 LEGAL COUNSEL: Great, okay.

20 CHAIRPERSON CORNEGY: You—you can begin
21 your testimony at any time.

22 COMMISSIONER CARROLL: Thank you. Good
23 afternoon Chair Cornegy, Chair Torres and members of
24 the Council's Committee on Oversight and
25 Investigations and Housing and Buildings. My name is

2 Louise Carroll, and I am the Commissioner of the New
3 York City Department of Housing Preservation and
4 Development better known as HPD. I am joined by
5 Deputy Commissioner for Assets and Property
6 Management Ann-Marie Hendrickson, Associate
7 Commissioner for Preservation Kim Darga, and
8 Assistant Commissioner for Property Disposition and
9 Finance, Lisa Talma. Thank you for the invitation to
10 testify in the city's Third Party Transfer Program
11 also known as TPT. I would also like to thank Paul
12 Saunders and his family for testifying, and, um, for
13 giving their perspective on this program. The de
14 Blasio Administration has spent five years martialing
15 resources to build and preserve affordable housing
16 across the city, and we have spent time and effort to
17 increase enforcement and other protections to keep
18 residents in their homes. We believe that anyone who
19 wants to raise a family, and work in the city should
20 be able to live here. TPT plays a key role in this
21 broader strategy by keeping people in their homes
22 with rents that are affordable to them, and providing
23 improvements and improving conditions in tax
24 delinquent properties at risk of unsafe conditions,
25 eviction or predatory loans. The Third Party

1 Transfer Program was enacted in 1996 the City Council
2 to collect municipal taxes and other charges while
3 providing a mechanism to address the conditions in
4 troubled residential properties with the goal of
5 stabilizing their physical and financial health, and
6 keeping them safe, habitable and affordable for
7 residents. As you may know, the city conducts a tax
8 lien sale each year, but by law not all properties
9 with arrears can be included. TPT has been focused
10 on collecting taxes and preserving residential
11 properties that were either excluded from the tax
12 lien sale or those with signs of crisis. Eligible
13 arrears to the city include outstanding residential
14 and commercial property taxes with the Department—
15 Department of Finance, water and sewer charges to the
16 Department of Environmental Protection, or
17 outstanding bills when HPD through our Emergency
18 Repair Program or other programs step into address
19 immediately hazardous conditions that put residents
20 at risk. While—while a primary goal of TPT is for
21 owners to either pay their taxes or enter into a full
22 payment plan, we are able to assist most of the
23 properties in the most recent round of TPT to do just
24 that, but failure to do so ultimately results in
25

1 foreclosure. The city has a fiscal responsibility to
2 collect taxes. These taxes support critical city
3 services for all property. In TPT unlike in In Rem
4 foreclosure or foreclosures that can follow a lien
5 sale where residents can be displaced properties are
6 transferred to a third party mission driven
7 affordable housing developer, and residents remain in
8 their homes with affordability, and rent
9 stabilization protections. Rent stabilization is one
10 of the strongest tools we have to protect tenants
11 ensuring that residents currently in the building
12 have the option to remain for as long as they want at
13 rents that are affordable to them, and happily such
14 protections stand now to be more meaningful than they
15 have ever been since the inception of the rent
16 stabilization program. Given the incredible reforms
17 from Albany of that last month that finally put the
18 law on the side of tenants. The New York State
19 Housing Stability and Tenant Protection Act of 2019
20 will close loopholes that allow high rent increases
21 and vacancy and luxury (sic) decontrol and end the
22 vacancy bonus ensuring that tenants won't have to
23 fight next year for another four years—next year and
24 another for years by making the law permanent. HPD
25

1 has spent years fighting for these reforms, and we
2 join New York City tenants and advocates in
3 celebrating this historic legislation. For decades
4 TPT has viewed as a critical tool to stabilize
5 properties, improve housing conditions, protect
6 tenants and ultimately return properties to through
7 the tax roll. Since TPT's inception, more than 6,000
8 homes and approximately 520 buildings have been
9 rehabilitated resulting in improved housing quality
10 and greater stability for roughly 15,000 residents.
11 Today, I would like to clarify a few points to clear
12 up misinformation and misperceptions about TPT that
13 we've become aware of in recent months. First, the
14 issue of property selection. TPT does not target any
15 specific neighborhood or community. It selects
16 properties through a thoughtful process grounded in
17 Local Law and focused on tax enforcement and
18 rehabilitation for residential properties with
19 municipal arrears. Knowing that HPD is mandated by
20 law to include whole block, we look at blocks with
21 single or multiple properties owing some to the
22 highest amounts of money to the city or that were
23 included in our Special Enforcement Program for Poor
24 Living Conditions. Ultimately, HPD focused on multi-

1 buildings that would most benefit from city
2 investments if they were unable or unwilling to
3 address their arrears. This is in line with our
4 wider goal of housing and neighborhood stabilization
5 and, in fact, more of the buildings with low amounts
6 of tax arrears that were included in the In Rem
7 actions paid their debt and got out of the Round.
8 Some almost immediately. On average, properties were
9 ultimately transferred had more than \$800,000 in
10 unpaid taxes, and more than eight hazardous or
11 immediately hazardous violations per unit. Many of
12 these properties additional indicators—indicators of
13 physical issues. Five of the properties had been in
14 HPD's Alternative Enforcement Program for extensive
15 code violations, and where HPD required work, and
16 nine were in the 7A Management requiring a court
17 appointed administrator due to conditions that were
18 dangerous to the residents' life, health, and safety.
19 When the buildings transferred, and Neighborhood
20 Restore was able to evaluate the full scope of
21 conditions, they found a range of significant issues
22 such as no heat or gas, compromised structures,
23 illegal subdivision and squatting. Second is the
24 issue of notice. Owners of properties receive semi-

2 annual or quarterly statement from DOF regarding
3 property tax liens, as well as a minimum of annual
4 statements and repeated robo calls from DEP.
5 Information about property violations and outstanding
6 emergency repair charges are always online. To enter
7 TPT owners must have outstanding arrears for a
8 minimum of three years or in the case of certain
9 properties with four or more units, one year. By the
10 time the last TPT Round began in 2015, owners already
11 had at least one year of notices of outstanding liens
12 and ample opportunity to resolve their outstanding
13 bills. Upon the launch of Round 10, the city
14 communicated with owners through a combination of
15 mailings, calls, and flyering. (sic) In many cases,
16 reaching out approximately 70 times from the 2015 to
17 2018 three-year period. HPD invited owners to
18 Property Owner Clinics to explain in-depth the many
19 resources available, and offered eligible buildings
20 the opportunity to apply for retroactive tax
21 exemptions. We also worked closely with local
22 Council Members on numerous occasions throughout the
23 process briefing them about properties facing
24 foreclosure in their districts, and encouraging them
25 to assist in outreach to buildings to urge them to

1 apply for tax exemptions and take other available
2 steps to address arrears. These efforts worked. A
3 majority of the 420 properties included in the las
4 TPT Round successfully responded, and were removed
5 from the foreclosure actions resulting in the
6 collection of approximately \$40 million in
7 outstanding arrears thus far. For the remaining
8 properties that were unwilling or unable to do so,
9 that was saved from transfer by active litigation or
10 bankruptcy proceedings prior to transfer and were not
11 removed from the Round by our Local Law, ownership
12 was transferred to a not-for-profit intermediary,
13 Neighbor Restore. All transfers were reviewed by the
14 City Council, which had the opportunity to
15 disapprove. Owners will-ownership will ultimately
16 pass to local community based affordable housing
17 developers many of which are longstanding not-for-
18 profits committed to serving their residents and were
19 previously selected through a request for
20 qualifications. No property was transferred without
21 review of the existing arrears, unaddressed violations
22 and all unaddressed violations and without giving
23 individual Council Members an opportunity to weigh
24 in. Contrary to some news, none of the 62 properties

1 remained transferred were single-family homes.

2 However, While many of the buildings in the recent

3 TPT round were rentals often with negligent

4 landlords, there were also numerous affordable

5 housing cooperatives called HDFC Co Ops. The HDFC Co

6 Ops that transferred in the most recent round or the

7 recent-recent round of TPT, owed \$30.4 million, more

8 than half of the total funds owed across all

9 properties that were transferred. HDFC Co Ops are ex

10 11 excluded from the tax lien sale leaving TPT the only

12 tax enforcement mechanism for those in arrears.

13 While HDFCs are critical homeownership opportunities,

14 many such buildings did not function as genuine Co

15 Ops, often leasing units to tenants without rent

16 stabilization, without regular-regulated oversight of

17 rent increases or other protections. Twelve of the

18 25 HDF Co Ops that transferred either all or most

19 units were rental units. These residents deserve to

20 live in quality housing as well. However, due to

21 poor governance and neglect, many units remained

22 vacant or in disrepair, and several core buildings

23 were party ongoing housing court litigation for lack

24 of heat, water, gas or other critical services.

25 Significant municipal arrears or significant-

1 significant municipal arrears or significant
2 rehabilitation need left these HDFCs vulnerable to
3 predatory lenders. This administration recognizes
4 the importance of home ownership for the stability of
5 families and neighborhoods and for the ability to
6 grow equity that can be passed onto future
7 generations. That is why through Housing New York, we
8 financed almost 23,000 affordable homeownership
9 opportunities. We have also created new programs
10 like Landlord's Ambassadors to offer technical
11 assistance and emergency loans to small building
12 owners, and we also partnered in the Homeownership
13 Help Desk to assist with foreclosure prevention,
14 guidance on scam avoidance and advice on home repair
15 and other programs like Weatherization, and this
16 summer we are pleased that we are launching Home Fix,
17 a program to provide low-cost loans to struggling
18 homeowners. These efforts are just a fraction of
19 many wide-ranging opportunities that provide—that HPD
20 uses to provide support for homeownership. All of
21 the preceding are outstanding. The city has changed
22 dramatically since the program was created more than
23 20 years ago, and it's time to take a fresh look.
24 That is why we are now launching a working group in
25

1 partnership with the Council that includes a wide
2 range of stakeholders to recommend changes to address
3 concerns, and fully refine the program. We recognize
4 that there have been concerns about the process, and
5 are prepared to revisit the eligibility and selection
6 criteria. We're prepared to look at the type and the
7 frequency of outreach, and the resources and supports
8 that we offer owners. There's always room for
9 improvement, and we're committed to making the
10 process as transparent as and effective as possible,
11 and doing all we can to help homeowners avoid the
12 peril of financial and physical problems that put
13 their properties at risk in the first place. But
14 ending TPT outright, or allowing buildings with bad
15 management to retain ownership would be a disservice
16 to tenants left to suffer the consequences when
17 building owners do not address their property's
18 financial and physical issues, and undermine any
19 owner's—and undermine any owner's responsibility to
20 pay their taxes. The best part—part—the best path
21 forward for these properties is HPD intervening
22 through TPT, which will ensure needed renovations are
23 made for the safety of tenants, and that
24 affordability is guaranteed through rent
25

1 stabilization and under other regulatory protections.

2 We would be abdicating our responsibilities if we
3 didn't intervene in buildings falling into financial
4 and physical trouble. Thank you again for the
5 opportunity to discuss the importance of TPT. I look
6 forward to answering any questions you have at this
7 time.
8

9 CHAIRPERSON CORNEGY: Thank you so much
10 for your testimony. We're going to begin with
11 questions from my colleague, but I'd like to
12 acknowledge the presence of Council Members Yeger,
13 Cabrera, Gjonaj, Powers, Louis, Ampry-Samuel,
14 Espinal, Kallos, Chin, Perkins, Ayala, Rivera and
15 Council Member Treyger. [background comment/pause]

16 CHAIRPERSON TORRES: Commissioner, thank
17 you for your testimony. Just for the record, I'm—I'm
18 in favor of reforming rather than abolishing TPT, but
19 I suspect we have disagreement about the best path
20 forward. I—I have—I see the value in TPT, but I have
21 concerns about the breadth of HPD's authority under
22 the Third Party Transfer Program. It seems to me
23 HPD's authority to select properties with Third Party
24 Transfer is so broad that it can easily lend itself
25 to an abuse of power, and for evidence, I would have

1 you look no further than HPD's selection of
2 properties around town in the Third Party Transfer.

3 I want to call your attention to Exhibit 2. In
4 April, 2018, the Associate Commissioner said the
5 following: "TPT is specifically geared toward the
6 city's most distressed properties." Even though HPD
7 claims TPT specifically targets distressed
8 properties, the selection of properties around town
9 appears to tell a fundamentally different story.

10 Exhibit 3-A. In Round 10, HPD selected 420
11 properties for Third Party Transfer. The City
12 Council's Oversight and Investigations Unit found
13 that out of 420 properties, 210 of them had no
14 financial distress. The legal threshold for
15 financial distress is a 15% lien-to-value ratio.
16 Those 210 properties had on average a 3% lien-to-
17 value ratio. Exhibit 4-A, the City Council's
18 Oversight and Investigations Unit found that out of
19 420 properties, 155 of them appear to have neither
20 financial nor physical distress. One legal threshold
21 for physical distress is 5-B or 5-C violations per
22 unit. Those 155 properties had on average 1.05-B or
23 C violations per unit. Commissioner, a case could be
24 made that Third Party Transfer represents a uniquely
25

2 draconian form of government seizure, but under
3 eminent domain a property owner is entitled to just
4 compensation. Under a standard foreclosure, a
5 property is entitled to a share of the proceeds from
6 the sale of the property, but under Third Party
7 Transfer, a property owner is for all intents and
8 purposes entitled to nothing. Property owners can be
9 fully divested of all the equity in their property.
10 Exhibit 3-B, the Council's Oversight and
11 Investigations Unit did an analysis of the 200 and
12 selected properties without distress in Round 10.
13 Those properties had had a market value of \$152
14 million versus \$4.6 million in tax arrears. So, HPD
15 claims to have the authority to divest New Yorkers of
16 \$152 million in equity based on \$4.6 million in tax
17 arrears. So, my question is does the divestment of
18 \$150 million--\$152 million in equity strike you as a
19 proportional response to \$4.6 million in tax arrears.

20 COMMISSIONER CARROLL: Thank you for your
21 question, Council Member. So, there--there are a lot
22 of things here. [laughs] Notwithstanding what may
23 have been said by one of my colleagues, I'd like to
24 clarify the criteria for entering TPT. The Council
25 passed this law in 1996. The law states that to

1 enter the TPT program a Class 2 property has to owe
2 \$1,000 for over a year—for a year or more, and a
3 Class 1 property a \$1,000 for three years or more.
4 That—and in that is included properties that are not
5 subject to the tax lien sale list, which HDFC Co Ops
6 are among them. In addition, so the requirement for
7 entering the TPT Program has nothing to do with
8 statutory distress. These—the—the two requirements
9 of the program is owing the city arrears for the
10 period of time that I just stated. In addition, to
11 that, properties are statutorily distressed are not
12 subject to the tax lien sale list. So, when—so when
13 we—when we select properties for the round, the—the
14 criteria is that we look at the basic TPT criteria,
15 and then we look at properties are not subject to the
16 tax lien sale list. So, these are two different
17 buckets that we put in the TPT Round, but the TPT Law
18 itself does not deal with statutory stress—distress.
19 One of the things that happens is if a property
20 enters the tax lien sale list, it can be sold to a
21 third-party, and however much you owe that makes you
22 subject to that requirement, and that third-party can
23 foreclose on that property, and the property—if the
24 property owner is not able to pay that third
25

1 property—third party, they lose their property
2 immediately. What we do in TPT is that we look at
3 the 90-day tax lien sale list, and we look at the
4 properties that has the highest amounts owed to the
5 city. Then we look at properties that are also
6 statutory distressed. So, we go to our 7A program,
7 our AEP program, and we select those properties.
8 Only once we select those properties in consort with
9 DEP and DOF, we now ask DOF to go and pull these
10 properties so that we can assist them to stabilize.
11 But what happens is when—when we're looking at these
12 properties that—that we feel has the most arrears
13 and—and is—and is in our 7A program or our AEP
14 program, the law tells us you can't just take these
15 properties. The law tells us that you must go back
16 and pull every property on the block that meets the
17 minimum requirements for TPT. Again, those minimum
18 require are--

19
20 CHAIRPERSON TORRES: [interposing] But
21 I'm actually asking your opinion as a policy maker.

22 COMMISSIONER CARROLL: No, no, I'm just
23 say--

24 CHAIRPERSON TORRES: [interposing] But I
25 don't--

2 COMMISSIONER CARROLL: --we follow--

3 CHAIRPERSON TORRES: [interposing] So, my
4 question was about unlike a standard foreclosure, TPT
5 represents the complete divestment of one's equity in
6 one's property, and so I'm asking in your opinion as
7 a policy matter, do you think there's proportionality
8 between the complete divestment of \$152 million in
9 equity verses \$4.6 million tax arrears. Does that
10 strike you as proportional?

11 COMMISSIONER CARROLL: [interposing] I'm--
12 I'm getting there because that's an inaccurate
13 comparison. I'm getting there--

14 CHAIRPERSON TORRES: Okay.

15 COMMISSIONER CARROLL: --because 420
16 properties entered the round. Sixty-two were
17 transferred. So, as a tax collection tool, which is
18 all TPT is, the--the majority of those properties
19 their taxes, got out of the round.

20 CHAIRPERSON TORRES: [interposing] I just
21 feel that's--

22 COMMISSIONER CARROLL: --and the ones that
23 were--

24 CHAIRPERSON TORRES: [interposing]
25 Commissioner, that--that is profoundly misleading.

2 HPD has said consistently that the purpose of this
3 program is to target distressed properties.

4 COMMISSIONER CARROLL: So, the Council
5 passed a law in 1996-

6 CHAIRPERSON TORRES: I--

7 COMMISSIONER CARROLL: --and the law says
8 it is a tax exemption tool, and that

9 CHAIRPERSON TORRES: [interposing] but,
10 but--

11 COMMISSIONER CARROLL: --62 properties--

12 CHAIRPERSON TORRES: [interposing] -let's
13 explore that claim. So, let's explore the various
14 claims that HPD has made about TPT in light of the
15 Council's investigative findings. HPD claims--let's
16 got to Exhibit 7--HPD claims it has the legal
17 authority to transfer all residential properties in
18 tax arrears for a specific--specified period of time.
19 We found three properties in Round 10 that had no tax
20 arrears at all. So, the selection of those
21 properties appear to be inconsistent with the law.
22 The three--if three of the selected properties had no
23 tax arrears, what was the legal basis for selecting
24 these properties for Third Party Transfer?

2 COMMISSIONER CARROLL: So, again, I
3 cannot account for what my colleagues might have
4 said, but the law says arrears--

5 CHAIRPERSON TORRES: [interposing] I'm
6 not replying, look you-

7 COMMISSIONER CARROLL: --not tax arrears,
8 arrears.

9 CHAIRPERSON TORRES: --you-you selected,
10 you selected three properties that-that-that had no
11 arrears at all. So, what was the legal basis? What
12 could have been the legal basis for selecting those
13 properties?

14 COMMISSIONER CARROLL: Okay, so I'm going
15 to go back to the criteria, and I can't speak in
16 particular to these three properties unless I have
17 the details in front of me, but the criteria is any
18 arrears--

19 CHAIRPERSON CORNEGY: [interposing] I-I
20 believe your folder contains the details.

21 COMMISSIONER CARROLL: I understand,
22 Council Member. My question is did these buildings
23 qualify at all for our 7A Program? Were they in our
24 AEP Program. I-I'd have to come back to you on the
25 particulars if I'm seeing something for the first

1 time, I—I don't think I can answer to it here, but I
2 can always come back.
3

4 CHAIRPERSON TORRES: But let's—let's got
5 to the second claim, go back because HPD has said
6 repeatedly the purpose of TPT is to target distressed
7 properties. As we noted earlier, 210 of the selected
8 properties had no financial distress, and 155 of them
9 had neither financial nor physical distress. So, how
10 can HPD claim that the purpose of the program is to
11 target distressed properties when half of them have
12 no financial distress and a third of them have
13 neither physical nor financial distress?

14 COMMISSIONER CARROLL: That is
15 inaccurate. TPT is not about financial distressed
16 properties. TTPT is a tax collection pool-tool
17 according to the law--

18 CHAIRPERSON TORRES: [interposing] and so
19 your own Commission.

20 COMMISSIONER CARROLL: --after 1996 by
21 the Council.

22 CHAIRPERSON TORRES: Commissioner,
23 you're—you're—the policy makers at HPD have
24 repeatedly said that this is a preservation
25 initiative, an anti-abandonment initiative. We

2 target distressed properties. We did not pluck these
3 ideas out of thin air. We're quoting your own
4 policymakers.

5 COMMISSIONER CARROLL: So, as I said,
6 there are benefits to TPT that include preservation.
7 There are benefits to TPT that include stabilization,
8 but TPT as a tool as the law passed in 19—the Council
9 passed in 1996, is a tax collection tool, and the
10 basic minimum requirements for entering to TPT are,
11 as I've stated. In addition to those basic
12 requirements, we have also looked at properties that
13 have the definition of statutory depressed—
14 distressed. They're not all one or the other, and
15 sometimes they're both in the round, and just let me
16 stress--

17 CHAIRPERSON TORRES: [interposing] But
18 you select the properties that have neither, but I—I
19 want to go to a point that you made earlier. You
20 said that HPD—one of your claims is that HPD is--and
21 let's got to Exhibit 9—HPD is required to select for
22 Third Party Transfer non-distressed properties that
23 are co-located where the distressed property or
24 properties on the same tax block. We found 83 of the
25 selected non-distressed properties had no co-location

2 with a distressed property, and so if 83 of the
3 selected properties had neither distressed nor co-
4 location with a distressed property, what is HPD's
5 policy basis for selecting them? What-what-what is
6 the possible basis for threatening these owners with
7 the complete loss of their equity?

8 COMMISSIONER CARROLL: So, the-the law
9 say that when a property is selected that meets the
10 criteria, we cannot cherry pick. We must pick every
11 other property on the block that meets the initial
12 criteria even though they were not the properties we
13 were looking at in the first place.

14 CHAIRPERSON TORRES: But I'm referring to
15 properties that have no co-location with a distressed
16 property.

17 COMMISSIONER CARROLL: Properties don't
18 need to be statutorily distressed to enter TPT. They
19 must meet the minimum requirement of owing a \$1,000
20 or more for either a year or three years. Once the
21 properties are identified that are-that for-for going
22 into the program, the law requires that we pick
23 everything else up. So, even if HPD was looking at,
24 and the other city agencies were really looking at
25 the high-the properties that owed the most to the

1 city, so for example the 62 properties that were
2 transferred, they owned \$800,000 on average to the
3 city, and have an average of eight ENC violations.
4 So, even if we're looking to pick up those
5 properties, the law says we must pick up every other
6 property on the block that meets the minimum
7 requirements but, of course, we get all those
8 properties out of the round, right. So, out of 420
9 properties, we've got all of these properties out of
10 the round, and we're left with the 62 properties that
11 after three years of 300 owner clinics, 70 touch
12 points offering tax exemption programs, and other
13 programs, we're not--

14
15 CHAIRPERSON TORRES: [interposing] But
16 seems like you're—you're saying that your—your hands
17 are tied with respect that the tax block requirement
18 requires you to sweep up all the properties in a—in a
19 tax block.

20 COMMISSIONER CARROLL: Absolutely.

21 CHAIRPERSON TORRES: So, are—are you in
22 favor of removing that requirement since it's such a
23 problem for HPD?

24 COMMISSIONER CARROLL: I—I'm in favor of
25 looking at the program entirely, and--

2 CHAIRPERSON TORRES: [interposing] But
3 specifically the tax lot requirement?

4 COMMISSIONER CARROLL: Absolutely,
5 everything --

6 CHAIRPERSON TORRES: [interposing]
7 Because--

8 COMMISSIONER CARROLL: --is on the table.

9 CHAIRPERSON TORRES: --because there is
10 something arbitrary about targeting a property simply
11 for being in the wrong place at the wrong time.
12 Simply for being in the wrong tax block at the wrong
13 time. [background comment]

14 SERGEANT-AT-ARMS: [interposing] Keep it
15 down, please. [applause] Keep it down please, people
16 keep it down, please.

17 CHAIRPERSON TORRES: And--and here's the
18 concern I have, and I'm going to--Council Member
19 Cornegy is going to present our findings relating to
20 the racial and geographic disparities, right, but if--
21 if you have concern about the racial and geographic
22 disparities in TPT, the tax block requirement is a
23 multiplier effect. It multiplies the racial and
24 geographic disparate impacts of TPT. So, it sounds
25

2 like you're in favor of removing that requirement if
3 I heard you correctly.

4 COMMISSIONER CARROLL: So, we—everything
5 is on the table.

6 CHAIRPERSON TORRES: But are you in favor
7 of removing that requirement, I guess.

8 COMMISSIONER CARROLL: At this point,
9 Council members, you are part of the working group.

10 CHAIRPERSON TORRES: Yes.

11 COMMISSIONER CARROLL: The law was passed
12 in 1996 by but the Council.

13 CHAIRPERSON TORRES: [interposing] We—we
14 have our own working group. It's the legislative
15 process, but I want to know--

16 COMMISSIONER CARROLL: I am—we are
17 willing to discuss--

18 CHAIRPERSON TORRES: [interposing] Are
19 you in favor of specifically of removing the Tax
20 Block Requirement for the purpose of reducing racial
21 and geographic disparities in TPT?

22 COMMISSIONER CARROLL: We will discuss it
23 all in the group, and as a group we will come out
24 with the right outcome.

2 CHAIRPERSON TORRES: That's unfortunate,
3 Commissioner. Robert.

4 CHAIRPERSON CORNEGY: Thank you Chair.
5 Commissioner, on this—this idea of racial and
6 ethnicity as being a component or a targeted
7 enforcement, which is what it seems like for Round
8 10, Brooklyn had the most properties at 192 followed
9 by the Bronx at 132. I'd like to, you know Exhibit
10 10, and Manhattan had 86. Queens had only 10
11 properties and Staten Island had zero. [background
12 comments] Are there really just 10 distressed
13 properties in the entire Borough of Queens and zero
14 properties on Staten Island were selected. Are there
15 no distressed properties on Staten Island? Did you
16 ever consider adding any of the properties on Staten
17 Island that met the criteria? Because I can't
18 imagine that there's no properties that meet the
19 criteria as prescribed earlier? Could you please
20 explain how—how that could not be seen as being at
21 the very least racially insensitive?

22 COMMISSIONER CARROLL: Thank you for that
23 questions, Council Member, and I appreciate the
24 opportunity to answer. So, we took out every single-
25 family home that came up in the process. So, I—I

2 can't account for what distress there is in Staten
3 Island, but I'd like to say that distress is not the
4 criteria for TPT.

5 CHAIRPERSON CORNEGY: So, there's no
6 properties in Staten Island that have tax arrears of
7 \$1,000 or more? [background comments]

8 COMMISSIONER CARROLL: I can account for
9 the numbers in the round that the properties that we
10 picked up correspond in area to the properties with
11 the highest level of arrears that were owed to the
12 city. Those were the properties we were going
13 towards. The law then says once you have identified
14 properties that owe the city the most money then you
15 have to pick up everything on the block, and that's--
16 that was our process.

17 CHAIRPERSON CORNEGY: So, I feel like I
18 have to caution you that our findings suggest
19 something totally different, and as this hearing goes
20 on I will be presenting that. So, as you speak
21 emphatically about the criteria, I feel as though I
22 should give you a heads-up that our--our information
23 doesn't--doesn't correlate to anything that you're
24 saying, and I'm going to demonstrate that as we go
25 forward, but why were so many properties concentrated

2 in these particular neighborhoods, which are
3 predominantly black and brown communities?

4 COMMISSIONER CARROLL: So, Council
5 Member, when we do the selection we are not looking
6 at racial data. All we are looking at is how much
7 money is owed to the city. When you map these
8 properties in those areas, these are properties that
9 have high foreclosure risk. They have the highest
10 number of Lis pendens, notices of—of foreclosure, and
11 suffered greatly in 2008 in the mortgage crisis. So,
12 I can tell you categorically we are not looking a
13 racial data when we are choosing these properties. We
14 are simply look at the properties that are on the 90-
15 day tax lien sale list, and trying to pick and trying
16 to pick the ones—not the ones that are \$1,000 as the
17 statute says. We're picking the ones that owe the
18 most, and when we do that, we are forced by the
19 statute to also pick up other properties around them
20 that meet the minimum criteria. I can say that of
21 the properties transferred, there were only 62 out of
22 420. Those properties owe 800—an average or \$800,000
23 to the city.

24 CHAIRPERSON CORNEGY: So, I'm going to
25 just give this some historical context. In the '70s

2 the city along with the rest of the country was in a
3 recession, as you've mentioned. Many communities
4 were filled with abandoned, dilapidated buildings,
5 and residents desperately needed safe affordable
6 housing. So, the city foreclosed on and took over
7 many multi-family buildings that were abandoned by
8 homeowners. Housing Development Fund Corporation Co
9 Ops were created by the city so that the city could
10 sell units in some of the buildings it owned to the
11 tenants of those building and provide affordable
12 homeownership opportunities to low-income New
13 Yorkers. Residents of these buildings were able to
14 purchase shares and a stock of their buildings at a
15 reduced price in exchange for taking care of those
16 properties, which were generally in awful condition.
17 In the past round of TPT, the city selected 118
18 HDFCs. That represents a large increase from prior-
19 prior round, correct?

20 COMMISSIONER CARROLL: I'm not able to
21 say-answer this question right now. I'll have to-I'll
22 have to come back with that.

23 CHAIRPERSON CORNEGY: But I can answer it
24 for you. Yes, it's true. [background comments] In
25 the past round of TPT--I'm sorry. For--from--from my

2 perspective it seems like the city was targeting the
3 same properties that they once sold to economically
4 vulnerable New Yorkers. So, we compared the map, and
5 we can go to Exhibit 14. So, we compared, uh, uh—so
6 we compared the map of selected properties for Round
7 10 with the map of HDFCs in New York. These set of
8 properties appear to mirror each other, correct? I
9 mean you look at that. They're almost the exact same
10 properties. For example, zero properties, as I
11 mentioned before, were selected in Staten Island,
12 which has zero HDFCs, and only 10 properties were
13 selected in Queens, which has a small number of
14 HDFCs, only one of which was selected for TPT. Did
15 Round 10 intentionally focus on HDFCs?

16 COMMISSIONER CARROLL: So, no, Round did
17 not intentionally focus on HDFCs. The city has
18 created about a 1,263 HDFCs. Of these HDFCs only 3%
19 have ever been transferred through TPT. That's 38
20 properties. So, we're trying--

21 CHAIRPERSON CORNEGY: [interposing] But
22 it seems like the lion's share of those were in the
23 10—in Round 10. So, while you're right, and the
24 numbers bear that out, there's a disproportionate
25 amount of HDFCs included in the round—in Round 10.

2 So, my question stands, you know, did--was there a
3 targeted process in HDFCs?

4 COMMISSIONER CARROLL: No, there was not.
5 There were about 115 or 16 HDFCs in this round and--

6 CHAIRPERSON CORNEGY: [interposing] 119.

7 COMMISSIONER CARROLL: --and--119, if you
8 say it yes.

9 CHAIRPERSON CORNEGY: 118.

10 COMMISSIONER CARROLL: If you go--Okay. I
11 will defer to your numbers. Of the ones who've
12 transferred, there are only 25, and those 25 have--owe
13 at least \$800,000 to the city, and have other
14 physical issues. Within those HDFCs they're
15 primarily renters in those 25 HDFCs, and there are
16 many other living conditions that are affecting the
17 rent--renters in those buildings including the fact
18 that they--some--a lot of them don't have leases.

19 CHAIRPERSON CORNEGY: Were HDFCs in the
20 neighborhoods that the city considered--were--were
21 these HDFCs in neighborhoods that the city considers
22 blighted and targeted for improvements?

23 COMMISSIONER CARROLL: I cannot speak to
24 that. That is not a requirement of TPT.

25

2 CHAIRPERSON CORNEGY: So, I'm going to—as
3 we move forward, that was actually a part of the
4 website con—con—contained until very recently in the
5 In Rem foreclosure process. This is—this is a
6 snapshot from your website that was corrected and
7 blighted was removed very recently from the
8 description. Can you explain to me why blighted was
9 removed very recently, the term blighted was a part
10 of the description.

11 COMMISSIONER CARROLL: Uh-hm. So, I—I am
12 the Commissioner of Housing, Preservation and
13 Development. This is not my website. So, I'm—I will
14 turn to my colleagues at DOF because TPT does—is not
15 a program directed towards blighted properties. It
16 is a tax collection program with requirement pursuant
17 to law.

18 CHAIRPERSON CORNEGY: The shareholders in
19 these HDFCs are lower-income New Yorkers for whom
20 these buildings likely represent their only
21 opportunity at homeownership. Many of these
22 stakeholders put in a substantial amount of time and
23 money to rehabilitate these buildings when the city
24 wanted nothing to do with them. Yet, these
25 shareholders stood to lose all of the equity in their

1 apartments that they had accumulated post-post
2 foreclosure, correct? And I know that's correct
3 because my colleague already answered that question
4 in a different form. So, you don't have to take time
5 answering that. That is absolutely correct. Was the
6 city at all troubled by the idea of moving
7 homeownership to rentals and losing equity and we
8 already understand that a minority community is one
9 of the only ways to build and transfer wealth through
10 the accumulation of equity in properties. So, there
11 was no concern, and I know what you're going to tell
12 that you're going to tell me what the statute, but
13 we're all human beings. You can tell me what the
14 statute allows, but there was no concern at any point
15 that we would transfer that much equity and/or wealth
16 to zero in such a short period of time, and I'm
17 asking as a human being, not as the--what the statute
18 requires--

20 COMMISSIONER CARROLL: [interposing] So--

21 CHAIRPERSON CORNEGY: --because these are
22 people's lives.

23 COMMISSIONER CARROLL: Council Member, I
24 absolutely agree. We value homeownership. As I said
25 of 1,265 HDFCs created, only 32 have ever been--38

2 have ever been transferred to TPT. Of the—the 25
3 HDFCs Co Ops that are left, the line to value ratio
4 has pretty much wiped out, um, equity in those
5 properties. There is about 100, an average of 118%
6 lien-to-value ratio. We're not—of 420 properties
7 that entered this round, I'd like to stress that the
8 program ahs been successful in getting people to pay
9 their taxes, in betting people to fix conditions—
10 living conditions that existed in those properties
11 and we have--

12 CHAIRPERSON CORNEGY: [interposing] But
13 do we really have to hold over the head of people
14 foreclosure in order to get them to pay their taxes?
15 Like that's the only thing that we can do? That's the
16 only way that we can get people to comply with taxes
17 is to threaten them with foreclosure, and the loss of
18 all of their equity and hard work? That seems a
19 little bit harsh, quite frankly.

20 COMMISSIONER CARROLL: So, it took—before
21 this round in 2015, we hadn't had a round since 2000—
22 2009. You have to have owed the city at least three
23 years in arrears. In addition, we spent another
24 three years of owners nights working with the
25 Council, asking for your help to get to properties in

1 you districts to help them pay that. We had, um,
2 three not-for-profits who we hire on an annual basis
3 to provide supports to these HDFCs. Did about 300
4 trainings to people in order to get them out of the
5 round. We have done owners clinics, we've done
6 flyering. You know, we've spent three years trying to
7 work with--with folks to get them out of this round--

9 CHAIRPERSON CORNEGY: [interposing] but.

10 COMMISSIONER CARROLL: --and at the--we
11 gave Article XI tax exemptions, which can wipe out
12 all of the taxes. So, for an HDFC co-op, foreclosure
13 is not the only answer. At HPD we gave Article XI
14 tax exemptions, with--with Council's approval, which
15 could have wiped out all of their taxes, but we need
16 a willing partner on the other end and, you know,
17 while I apologize for what other miscommunications
18 may have happened with the Saunders Family, the
19 people who have been transferred, the 62 properties
20 did not take advantage of any of the assistance that
21 this Administration and this--these agencies here have
22 tried to give them. We spent three years working
23 with these people, and they could have had an Article
24 tax--Article XI tax exemption, which you would have
25 given them, and they did not take it.

2 CHAIRPERSON CORNEGY: So, HPD had
3 provided a memo document to the Council in 2017 and
4 the memo stated Round—this is—this is of grave
5 concern to me in particular. Round 10 of the TPT
6 Program included about 100 HDFCs Co Ops. We
7 anticipate that Round 11 of TPT will include even
8 more HDD—HDFC Co Ops as if that's even possible. So,
9 it seems to be a targeted focus. That's—that's your—
10 that's your memo to us saying that you—you intend for
11 that to increase. So, while we're sitting here angry
12 about the number, and the determining whether or not
13 there was a—a—a an intended focus on HDFCs, we're—
14 we're ramping up as opposed to even providing more
15 supports for HDFCs.

16 COMMISSIONER CARROLL: Council Member,
17 this is my third month on the job. I assure you we
18 are (audience comments) I--

19 CHAIRPERSON CORNEGY: No, I—I respect
20 that—I respect that.

21 COMMISSIONER CARROLL: Uh-hm. I assure
22 you we are co-chairs of a working group that will
23 look at this program completely soup to nut and
24 figure out what TPT should be for the future. So, I—
25 I, um, I'm not going to accept this statement. I did

2 not make this statement, but I assure you as the Co-
3 Chair of this Committee that we are going to work to
4 figure out what the right criteria should be, what
5 the right process should be, and what the city would
6 like this program to look like going forward.

7 CHAIRPERSON CORNEGY: The last question
8 that I have right now in this particular time before
9 I go back to my Co-Chair is—is HPD's Office of Asset
10 and Property Management charged with monitoring the
11 physical and financial stability of HDFCs? Office of
12 Asset Management. It seems as though suggested in
13 their title they would have some monitoring of the
14 physical and financial stability of HDFCs and that
15 seems to be where some progress could be made. Is
16 that not the case?

17 COMMISSIONER CARROLL: Yes, that is one
18 of our responsibilities, and—and assists us in that
19 responsibility. We've also contract with a not-for-
20 profit, which is supposed to also provide training
21 and counseling on a year-year-long basis. Yes, it is
22 one of our responsibilities.

23 CHAIRPERSON CORNEGY: Right, so—so that's
24 a little disturbing to me because, um, let me ask
25 you—the answer I already know, but how many people

2 staff an office responsible for the large number of
3 HDFCs under your physical--your financial and
4 physical stability? How many staff members staff
5 that office?

6 COMMISSIONER CARROLL: So, you know, I
7 can turn to my Deputy Commissioner but I will say for
8 the TPT Program itself there are 11 staff members.
9 That's not all of the staff members in the entire
10 Asset and Property Management Program, but for TPT
11 there is a Director, a Deputy Director. There are
12 about six Project Managers and two Analysts.

13 CHAIRPERSON CORNEGY: So, I don't--I don't
14 want to go to fact checking, but to our records and
15 reports there are only three people working with
16 HDFCs. Not the Third Party Transfer Program, but
17 working with HDFCs, there are three staff member
18 assigned for the physical and financial stability of
19 all of the HDFCs, 118 that we just saw and an
20 increased amount for Round 11. Is that true?

21 COMMISSIONER CARROLL: Council Member, I
22 will have to get back to you.

23 CHAIRPERSON CORNEGY: So, at--at--at the--at
24 the very best according to your testimony, it's 11.
25 Our records show that it's three. In any event, I

2 don't know how you could possibly claim to have done
3 all that you've done in support of HDFCs with that
4 amount of staff.

5 COMMISSIONER CARROLL: So, thank you,
6 Council Member for that question because it gives me
7 an opportunity to talk about our program. So, while
8 there in Asset and Property Management the number of
9 project managers working on a particular property,
10 our office has many programs to assist both rental
11 property owners and homeowners, and homeowners and in
12 these programs they're staffed by Project Managers
13 Assistant Commissioners throughout the agency. So,
14 there are other resources in our agency once a
15 property is identified in order to work with them.
16 With the TPT round itself I do want to stress that
17 these 62 properties that of the 420 that did not
18 manage to get out of the program, were given the same
19 70 touch—about 70 touchpoints that the other property
20 has got. I can say that, you know, there are 300
21 trainings and technical assistance that was provided
22 by a not-for-profit. We had owners nights, we had
23 calls—automated calls to people. We had many notices
24 sent from DEP and DOF to property owners. So I—I want
25 to stress that we did a lot of work to get four—most

2 of that 420 properties out, and that there are 62
3 left of the whole Round 10.

4 CHAIRPERSON CORNEGY: So, before I pass
5 to-to my Co-Chair, you-you apologized to Marlene
6 Saunder's family about the miscommunications and them
7 and the aforementioned amount of times that you
8 reached out. It seems more often than not the cases
9 are like Marlene Saunders in terms of outreach and in
10 terms of communication. We've heard that countless
11 time even from HDFCs. Now, she has a smaller
12 building, which certainly doesn't rise to the level
13 of an HDFC in terms of units. So, we've heard
14 everything from reaching out to board members of
15 HDFCs whose addresses that are not that address. So,
16 we've actually heard that HPD has done in its round
17 of 70 or so touchpoints, actually sent correspondence
18 to people who were listed as board members to
19 addresses that were not the address of the HDFC. Is
20 that true?

21 COMMISSIONER CARROLL: Council Member, I
22 appreciate that question. The addresses that we sent
23 notices to are addresses provided to us by the board
24 members.

2 CHAIRPERSON CORNEGY: But that--wouldn't
3 that strike you as a little bit odd? If the person is
4 supposed to be a board member and is supposed to be
5 getting a touch point at where their resident is,
6 where they're a member of that HDFC that you would
7 send it to another address that would send u a red
8 signal for me or anybody else. So, if that's counted
9 as a touch point, that is a point of contention for
10 myself and for other people that you would say--that
11 somebody sitting there wouldn't go, why would we send
12 it there if they're supposed to be there? That
13 doesn't--that doesn't make--

14 COMMISSIONER CARROLL: [interposing] But
15 the address--

16 CHAIRPERSON CORNEGY: --much sense.

17 COMMISSIONER CARROLL: --the addresses
18 come from the owners. So, we send the addresses.
19 Every--all property owners are required to register
20 with HPD and multiple dwellings are required to
21 register with HPD every year, and we use that
22 information that they provide to us every year in
23 order to contact them. Same with DOF, and while I
24 won't speak to everything that happened on--with the
25 Saunder's property, but if--if property owners either

2 don't put the right account on the checks that they
3 submit to the agency, or they don't submit the right
4 address to the agencies for correspondence, then we
5 will use the addresses or the information that they
6 submit to us in order to interact with them.

7 CHAIRPERSON CORNEGY: Thank you.

8 CHAIRPERSON TORRES: I have a few—a few
9 more questions, but I do want to give my colleagues
10 an opportunity weigh in. As you know, Commissioner,
11 the Mayor has a plan to create and preserve 300,000
12 units of affordable housing over 12 years. Does the
13 transfer of properties through TPT qualify as
14 preservation under the Mayor's housing plan?

15 COMMISSIONER CARROLL: The transfer of
16 properties in TPT ends the process of the city
17 collecting taxes for properties that owe taxes to the
18 city.

19 CHAIRPERSON TORRES: But do you count
20 those units as preservation?

21 COMMISSIONER CARROLL: Not if—if a
22 property is simply transferred to Neighbor Restore to
23 wipe out the taxes, that—that is just a tax
24 foreclosure.

2 CHAIRPERSON TORRES: And if what if a
3 property undergoes rehab? Do you count it as
4 preservation?

5 COMMISSIONER CARROLL: If the city
6 provides loans and subsidies to rehab a property,
7 then, in fact, we are preserving that property.

8 CHAIRPERSON TORRES: And suppose you had
9 a trans and a rehab of a conversion of--of an HDFC
10 into a rental, both a transfer and a rehab, would--
11 would you count that as preservation under the
12 Mayor's Fund?

13 COMMISSIONER CARROLL: If the city
14 provides loans and subsidies to any property in order
15 in order to complete a scope of work and provide
16 rehab, then yes we are preserving that property and
17 we would count the money that would be put towards
18 preserving it as part of the plan.

19 CHAIRPERSON TORRES: Now, affordable
20 housing also includes affordable homeownership--

21 COMMISSIONER CARROLL: Yes,

22 CHAIRPERSON TORRES: --and the conversion
23 of an HDFC into a rental means the loss of affordable
24 homeownership. So, doesn't strike you as odd that
25

2 the destruction of homeownership can be counted as
3 preservation under the Mayor's Plan?

4 COMMISSIONER CARROLL: We do not take the
5 loss of homeownership lightly.

6 CHAIRPERSON TORRES: But you count it as
7 preservation under the Mayor's Plan.

8 COMMISSIONER CARROLL: When a—when a
9 building is not able to keep up with its finances,
10 and where a building has significant financial and
11 physical issues, and the city steps in to provide
12 safe affordable housing to the tenants that live in
13 that building, then yes, we count that towards that
14 fund.

15 CHAIRPERSON TORRES: I have never met a
16 homeowner who would experience the loss of their
17 sweat equity as—as—as preservation. Commissioner, one
18 of my concerns is I've—I've heard a changing
19 narrative about the purpose of TPT. I've heard that
20 it's an anti-preservation initiative or it's a tax
21 collection initiative or it's an anti-abandonment
22 initiative, but I've also heard changing narratives
23 about the criteria. First, I was told by—the
24 Associate Commissioner that was specifically geared
25 towards distressed properties. Then you're telling

1 me that no it's about tax collection, a \$1,000 in tax
2 arrears, but then in a case *Doris v. the City of New*
3 *York*, the city is claiming that we don't need \$1,000
4 or any level of tax arrears justifies TPT. So, which
5 one is it? Is it a \$1,000? Is it any level? Is it
6 one cent in tax arrears. There's a lack of clarity
7 about both the purpose and the criteria of the
8 program.
9

10 COMMISSIONER CARROLL: Thank you Council
11 Member for that question. So, the law says arrears
12 owed to the city for a year in some cases or three
13 years or more in other cases. For the...the criteria
14 to get on the tax lien sale, which is every other
15 property. So, in the city all properties are
16 required to pay their taxes. If you don't pay your
17 taxes, you get on the Tax Lien Sale List. It's sold
18 to a third-party. If you don't pay that third party,
19 you lost your property, and the criteria for getting
20 on that sale list is a \$1,000. So, while the law
21 doesn't specify, we are basically equalizing the Tax
22 Lien Sale List requirement with the TPT requirement,
23 again, I have to stress you can lose your property if
24 you don't pay your taxes.

25 CHAIRPERSON TORRES: But if--why just--

2 COMMISSIONER CARROLL: [interposing]

3 It's-it's

4 CHAIRPERSON TORRES: [interposing] I'm
5 curious to know what your interpretation of your own
6 legal authority. Do you think you have the legal
7 authority to transfer a property that has a dollar in
8 tax arrears?

9 COMMISSIONER CARROLL: So--

10 CHAIRPERSON TORRES: Is that
11 theoretically possible?

12 COMMISSIONER CARROLL: The law as passed
13 by the Council says arrears. It does not say how
14 much.

15 CHAIRPERSON TORRES: Is that something we
16 should change?

17 COMMISSIONER CARROLL: We should talk
18 about it, Council Member.

19 CHAIRPERSON TORRES: We should change
20 that, and one-one-one quick question. Obviously one
21 of the criteria for financial distress is lien-to-
22 value ratio. When you--when you speak of lien-to-
23 value ratio, is it referring to a assessed value or
24 market value?

2 COMMISSIONER CARROLL: So, um, I would
3 have to let my colleague from DOF talk about how they
4 do valuations, whether it's assessed or market value.
5 I would assume it's assessed by Jeff.

6 CHAIRPERSON CORNEGY: And before you
7 answer this question, I am going to caution you as
8 well that going forward we have evidence of egregious
9 under-valued properties that ultimately were forced
10 into the TPT Program. So you're looking at a loan to
11 value on an under-valued property. So, I just want
12 to give you a heads up on that before you answer.

13 DEPUTY COMMISSIONER SHEAR: Okay. Thank
14 you for that. The—we use the—what we would call the
15 DOF Market Value. So, that is the market value that
16 DOF comes up with based upon the constraints of state
17 law, which determines how we can determine market
18 value.

19 CHAIRPERSON TORRES: And so by DOF market
20 value, you mean assessed value?

21 DEPUTY COMMISSIONER SHEAR: No, I—I do
22 not mean assessed value.

23 CHAIRPERSON TORRES: Okay. So, you're—
24 I'm confused. What is D-O—what's the D-O-F market
25 value?

2 DEPUTY COMMISSIONER SHEAR: So, DOF is
3 charged with coming up with both a market value for
4 all New York City properties and an assessed value
5 for all New York City properties. State law
6 determines how DOF can come up with the market value.
7 So, the Property Division uses sources such as
8 comparable sales for Class 1 properties or income and
9 expense statements for Class 2 properties, and
10 formulas to come up with the market value. The
11 market value that we can come up with may be less
12 than the market value that you would see listed on
13 Zillow or in the market.

14 CHAIRPERSON TORRES: Can we bring up an
15 example of a property that appears to be in under
16 those? (sic)

17 CHAIRPERSON CORNEGY: Yeah, we—we
18 actually were going to that. So, Exhibit 16 I think
19 we can start that process but before we get there, I—
20 I do have some—some lead-up to that. So...

21 CHAIRPERSON TORRES: Yeah, but I just
22 want to make one point. If—if—if 15% means (sic) to
23 value ratio is one of the criteria for financial
24 distress, if HPD undervalues a property and then it
25 makes that property more susceptible to a Third Party

1 Transfer. So that to me speaks to the arbitrariness
2 of the program that factors beyond your control like
3 where you're located in a tax block for HPD or DOF's
4 undervaluation could make your properties more
5 susceptible to a Third Party Transfer. Is that--is
6 that kind of arbitrariness a problem for you or--?

8 COMMISSIONER CARROLL: Council Member,
9 HPD does not value or assess value.

10 CHAIRPERSON TORRES: I'm referring to the
11 city at large, though.

12 COMMISSIONER CARROLL: So, um, again,
13 status quo--

14 CHAIRPERSON CORNEGY: [interposing] And
15 quite frankly, there seems to be some complicitness
16 in this. So, you--you're saying that HPD is not
17 responsible and the Department of Finance is
18 responsible--

19 COMMISSIONER CARROLL: No.

20 CHAIRPERSON CORNEGY: --but there seems
21 to be a-a-a, like almost a working contingent on
22 these targeted properties in black and brown
23 communities.

24 COMMISSIONER CARROLL: So, thank you,
25 Council Member for that--for that other--I'm not

1 blaming my colleagues. I'm just saying that we do
2 not value properties. What we do at HPD is that we
3 look at the Tax Line Sale List, and we look at the
4 properties that are on the 90-day Tax Line Sale List
5 and we select the properties that owe the city the
6 most money, and because—when we select those
7 properties, then by law we're required to pick other
8 properties on the site. TPT is not about statutory
9 of all financial distress. We also include in the
10 round properties that are in our 7-A program and our
11 AEP program and properties that are not eligible for
12 the Tax Line Sale List, but the—but the basic program
13 is not about financial effects.

14
15 CHAIRPERSON TORRES: But just,
16 Commissioner, now I wanted to hear you're not
17 transferring every property that has tax arrears,
18 right? You're in theory prioritizing properties that
19 have the most debt and the most distressed, and if
20 you—if a property has a lien-to-value ratio of 15%
21 because of an undervaluation by DOF, is that fair in
22 your opinion? Is it fair that that property is more
23 susceptible to TPT, that that owner is more
24 susceptible complete loss of their equity because DOF
25 got the valuation wrong?

2 COMMISSIONER CARROLL: I appreciate your
3 question, Council Member--

4 CHAIRPERSON TORRES: And I'll leave it
5 there.

6 COMMISSIONER CARROLL: --but DOF is
7 following the law when they do their valuations.

8 CHAIRPERSON TORRES: I'm asking about the
9 policy matter. I'm not questioning compliance with
10 the law.

11 COMMISSIONER CARROLL: I-I-but...

12 CHAIRPERSON TORRES: As a policy matter.
13 We're--we're trying to reform this program and so I'm
14 asking if the lien to evaluation is based on
15 undervaluation, is that fair? That's--

16 COMMISSIONER CARROLL: But I'm saying
17 that the lien to evaluation DOF does not do under-
18 valuations. So, I-I'd have to accept that my
19 colleagues are under-valuing properties, and I-I
20 cannot accept that.

21 CHAIRPERSON CORNEGY: So, it's incumbent
22 upon me to demonstrate that, which I'll do in a
23 minute. HPD provided us with data showing the values
24 of the properties selected for TPT Round 10, and
25 these values seem incredibly low. For instance, HPD

1 says that a beautiful brownstone in my wonderful
2 district was valued at \$370,000 recently when I know
3 based on other sales in the neighborhood and comps,
4 that this brownstone is more likely worth upwards of
5 \$1.5 million. How did the city calculate the value
6 of these properties, which, I—I think your colleague
7 attempted to answer, but I'm still confused. The
8 city does not compensate homeowners when properties
9 are foreclosed upon and a part of TPT in any way. I'm
10 sorry, the city does not compensate homeowners whose
11 properties are foreclosed upon as a part of TPT in
12 any way, correct?

14 COMMISSIONER CARROLL: When the city
15 forecloses for the lack of payment of taxes, no
16 property owner is—is compensated. The lien is sold.

17 CHAIRPERSON CORNEGY: Okay, so in other
18 words the homeowners lose all equity in their
19 property upon foreclosure, right?

20 COMMISSIONER CARROLL: All properties
21 foreclosed by the city that owe taxes the foreclosure
22 process is that the lien is sold, and if the lien
23 isn't paid, all property owners lose their property.

24 CHAIRPERSON CORNEGY: Okay, so this is
25 even when they have millions of dollars of equity in

2 such properties outside of the small amount of taxes
3 owed to the city, correct?

4 COMMISSIONER CARROLL: And all over the
5 city if you're on the Tax Line Sale List, that's what
6 happens to properties. It's about city collection of
7 taxes and if you don't pay the taxes, the lien is
8 sold, and when the lien is sold the property is also.

9 CHAIRPERSON CORNEGY: Even if it's a
10 \$1,000 and the property is worth \$1.5 million?

11 COMMISSIONER CARROLL: For any property
12 around the city on the Tax Line Sale List that is the
13 process.

14 CHAIRPERSON CORNEGY: So, do—are you okay
15 with that? Like as a—as an agency, and as a
16 legislator—I'm sorry. As an agency and an agency
17 head, are you okay with that? That someone could
18 lose a \$1.5 million property, which we saw actually
19 happened for \$1,000—I'm sorry, \$3,000--\$3,720.20,
20 lose the entire equity because that home was paid for
21 in full?

22 COMMISSIONER CARROLL: So, all through
23 the city the legislation makes the law, and
24 throughout the city any property, and I don't mean
25 the ones that go through TPT. The ones that go

2 through TPT have years of working with us to give
3 them assistance to get out, but for every other
4 property, they do not have that benefit. For every
5 other property that goes on the Tax Line Sale List,
6 if you do not pay that money, the lien is sold, and
7 if the lien is foreclosed on by the purchase who—the
8 purchaser, people lose their properties throughout
9 the city. TPT actually gives people three years of
10 trading, loans, exemptions of property--

11 CHAIRPERSON CORNEGY: [interposing]

12 Commissioner, but the city touts--

13 COMMISSIONER CARROLL: --to actually
14 help.

15 CHAIRPERSON CORNEGY: --the city and the
16 Administration touts a healthy pathway to
17 homeownership program, and programs. HPD is
18 responsible for those programs. This actually flies
19 in the ace of efforts that are being made on the
20 Administration's part to provide pathways to
21 homeownership. You know, um, preservation shouldn't
22 only be about rentals. You could preserve these
23 properties very easily with the loan-to-value ratio
24 that I'm going to demonstrate going forward. Yeah,
25 please.

2 CHAIRPERSON TORRES: No. I have no
3 questions. Just state for the record that Council
4 Finance did an analysis, and found that DOF's market
5 value is on average on-fifth of the sales price of a
6 property. So--

7 CHAIRPERSON CORNEGY: So, we discussed
8 the city's efforts. I'm sorry. Before I go forward,
9 I want to apologize to my colleagues who are waiting
10 to--to ask questions. Generally, as the Chair I wait
11 and I allow my--my colleagues to ask their questions
12 because I know they have other hearings and other
13 things to do, but today is impossible for me to do
14 that. So, I'm asking your indulgence on some very
15 tough questions that I have to ask, but I promise you
16 very shortly we're going to get to questions from my
17 colleagues. We've discussed how the city's efforts
18 in the last TPT round were targeted at 11
19 concentrated neighborhoods comprise largely of
20 minority families. One neighborhood in my district
21 Crown Heights North had 32 properties on the TPT list
22 alone. Do you understand that for many homeowners
23 equity held in their homes represents their only
24 source of wealth, and that by taking such equity away
25

2 from them, you're depriving them of the opportunity
3 to pass any of that wealth onto their families?

4 COMMISSIONER CARROLL: [off mic] Yes, I
5 do.

6 CHAIRPERSON CORNEGY: Yes.

7 COMMISSIONER CARROLL: [on mic] Sorry.
8 Council Member, I support equity and growth through
9 housing, through homeownership for—for all families,
10 and I share your values in that.

11 CHAIRPERSON CORNEGY: So, why isn't
12 preservation a priority as it relates to
13 homeownership?

14 COMMISSIONER CARROLL: It is a priority,
15 Council Member.

16 CHAIRPERSON CORNEGY: I can't tell.
17 There's a mechanism in place for the return of
18 homeowner—there is a mechanism in place for the
19 return of homeowners' equity when facing foreclosure
20 upon TPT, correct?

21 COMMISSIONER CARROLL: Could you repeat
22 that question? I'm sorry

23 CHAIRPERSON CORNEGY: There is a
24 mechanism in place for the return of homeowners'

2 equity when facing foreclosure under Third Part
3 Transfer, correct?

4 COMMISSIONER CARROLL: I, um, Council
5 Member—

6 CHAIRPERSON CORNEGY: I'll—I'll answer
7 it. The Administrative Code permits the owner of a
8 property included in TPT who has more equity in their
9 home than the amount of debt owed to the city to ask
10 the court for additional time (1) to pay off their
11 debt or (2) to sell their property in order to raise
12 money to pay off their debt.

13 COMMISSIONER CARROLL: That's correct.

14 CHAIRPERSON CORNEGY: Did any homeowners
15 avail themselves of this opportunity in the past
16 Third Party Transfer round?

17 COMMISSIONER CARROLL: Yes, they—in—in
18 the past homeowners have.

19 CHAIRPERSON CORNEGY: In this—in this—in
20 this last Third Party Round?

21 COMMISSIONER CARROLL: Um, in Round 10—
22 just a second. [pause] I believe homeowners have
23 done so in this round. I'll have to get those
24 numbers.

2 CHAIRPERSON CORNEGY: I would really like
3 to get those numbers and, if so, I'd like to know how
4 many because there's a very large number, and I want
5 to know what you did to educate Third Party Transfer-
6 people in Third Party Transfer about the action of
7 this. Did the Saunders Family know that they had an
8 option to do this? Did other families know that they
9 had an option to go and petition the court for extra
10 time to pay off their debt no matter what the size of
11 the debt was, or to sell their property to satisfy
12 the debt and then whatever proceeds from that
13 property will still remain in their possession. I
14 really need to know how many people were-were able-
15 were able to avail themselves of that program, and
16 what you did at HPD to notify people in Third Party
17 Transfer that they had that as an option? Because no
18 one that I talked to recognized that as an option.

19 COMMISSIONER CARROLL: Thank you, Council
20 Member, we'll get back to you.

21 CHAIRPERSON CORNEGY: Let's now discuss
22 some of the specific properties that were included in
23 the last TPT round, which are also included in your
24 folder. I'd like to go to Exhibit 16. Data shown on
25 these slides were provided by HPD to the Council in

1 March of 2019. Let me show you an example of a
2 property that had zero in arrears. If you look at
3 this particular property, which was grossly
4 undervalued, at \$439,000 for a 2-unit dwelling had
5 zero open B&C violations, zero open B&C violations
6 per unit, and zero DOF and DEP chargers, and a lien-
7 to-value ratio of 0%. Please tell me how this
8 property was transferred under the program?
9

10 COMMISSIONER CARROLL: Council Member, I
11 don't know which property this is, but of the 60-
12 there are only 62 properties that are transferred.
13 So, when we select properties in the round, most
14 properties get out right away, by either paying or-
15 or, um, you know showing that citywide they don't
16 belong on the round. Only 62 properties were
17 actually transferred and they owe an average or
18 \$800,000 each—a property.

19 CHAIRPERSON CORNEGY: [interposing] This
20 is a transfer property, though. This is a transfer,
21 and I—it was. It was a selected property. I'm sorry
22 and it wasn't transferred, but it was a selected. It
23 was on the list to be transferred. Let me—let me not
24 ask you every time. Let me just go to slide Exhibit
25 17, which is in my district, Crown Heights North

1 Brooklyn a market value of \$295,000 with nine
2 dwelling units. It doesn't take a realtor to
3 understand that that is grossly undervalued in the
4 most gentrifying area in the city of New York at
5 present. It had two open violations and .22 open
6 violations per dwelling unit, and a total Department
7 of Finance and DEP charges of \$153.00, and 0.1% lien-
8 to-value ratio. You don't have to say anything.

9 Exhibit 18. Again Crown Heights North, Brooklyn.
10 Market value \$370,000 for seven units in a building.
11 You can't get a one-bedroom condo in the Borough of
12 Brooklyn in particular Crown Heights for \$370,000. It
13 had nine violations and 1.29 per unit violations, and
14 had open charges of \$6,700 at a 1.8% lien-to-value
15 ratio. Exhibit 19 Crown Heights, North Brooklyn
16 again. Thirty-nine units valued at \$1.3 million with
17 eight violations, 0.21 per dwelling unit with
18 outstanding charges of \$2,389. I happen to know for
19 a fact that that property probably sold-will sell for
20 \$8 million on the open market. Exhibit 20, Ocean
21 Hill, Brooklyn. Some of my colleagues here from
22 Ocean Hill? Ocean Hill in the building?

23
24 FEMALE SPEAKER: [off mic] I think Alicka
25 is.

2 CHAIRPERSON CORNEGY: Yes she is, Alicka
3 Ampry-Samuels in your hood. \$340,000 for a six-unit
4 dwelling building, 13-13 open violations, 2.17 in,
5 um, dwelling-in violations per unit, \$1,001.00 in
6 open charges. 0.3% loan-to-value ratio, and I will
7 just end with--because I don't think there's any
8 necessity for me to go on with this. Exhibit 22,
9 Crown Heights North again. 2.95 2,000-295--\$295,000
10 in valuation according to the Department of Finance,
11 nine dwelling units, one open violation. Charges
12 owed, \$1,790 at 0.6% loan-to-value ratio. So, you
13 can see where I'm going with this--[background
14 comment] These--in the interest of time, I won't. I
15 think I've, um, set this up pretty well. I'm going
16 to now pass it on back to my colleague Ritchie
17 Torres.

18 CHAIRPERSON TORRES: Yeah, let's got to
19 members.

20 CHAIRPERSON CORNEGY: Has referred to
21 members. The first person--my first colleague who
22 will be asking questions is Council Member Kallos.

23 COMMISSIONER CARROLL: Thank you--

24 CHAIRPERSON CORNEGY: [interposing] Oh,
25 before Council Member Kallos answers, I do want to

2 say that Council Member Kallos and I started this
3 process many years ago working together on Third
4 Party Transfer, and I'd like to thank him for his
5 continued support and advocacy around these issues
6 even though he represents Manhattan. [laughs]

7 COUNCIL MEMBER KALLOS: It's a problem in
8 Manhattan, too. I want to thank the Housing and
9 Buildings Chair Robert Cornegy for his leadership and
10 partnership on Third Party Transfer. In particular I
11 want to thank the Black and Latino and Asian Caucus
12 Co-Chair I. Daneek Miller and their members for
13 supporting our efforts to take on the Third Party
14 Transfer Program as well as the Oversight and
15 Investigations Chair Ritchie Torres. I'd also like
16 to acknowledge and thank our New York State Attorney
17 General Tish James, Public Advocate Jumaane Williams,
18 Brooklyn Borough President Eric Adams, Senator Brian
19 Benjamin, Assembly Member Al Taylor among many other
20 elected officials throughout the state and city who
21 have been calling attention to this issue. I want to
22 thank Commissioner Louise Carroll for testifying
23 despite only recently starting at HPD. I appreciate
24 your taking responsibility for your agency's
25 mistakes. That being said, I would like to direct my

2 entire line of question to Kim Darga, your Associate
3 Commission for HPD's Preservation and Finance
4 Programs. Associate Commissioner Darga, did you
5 appear before the Land Use Subcommittee on Planning,
6 Dispositions and Concessions on Third Party Transfers
7 around tenants on August 14, 2018?

8 COMMISSIONER CARROLL: Council Member,
9 may I interject. As the HPD Commissioner, I am the
10 one who is testifying. I will ask for Kim-Kim
11 Darga's help.

12 COUNCIL MEMBER KALLOS: Did Kim Darga
13 appear before my subcommittee on August 14, 2018?

14 COMMISSIONER CARROLL: I assume the
15 answer is yes.

16 COUNCIL MEMBER KALLOS: On that day under
17 oath did Associate Commissioner Darga say that all
18 the tenants in affected buildings received notices
19 and even could have a, um, say in who was going to
20 manage their buildings?

21 COMMISSIONER CARROLL: I can't-I can't
22 account for, um, what Ms. Darga said.

23 COUNCIL MEMBER KALLOS: Associate
24 Commissioner Darga is right there next to you so it
25 is a good thing that she can answer.

2 COMMISSIONER CARROLL: Um. [background
3 comments. I'll let Ms. Darga answer.

4 ASSOCIATE COMMISSIONER DARGA: what was
5 your question, Council Member?

6 COUNCIL MEMBER KALLOS: During the
7 hearing was any concern raised relating to whether or
8 not tenants received notices about the Third Party
9 Transfer Program?

10 ASSOCIATE COMMISSIONER DARGA: I don't
11 recall. I remember you asking a lot of questions,
12 but I'm sure I explained that we did a lot of notice
13 prior to transfer taking place, um, on-in general
14 about 40 different attempts, and including flyering
15 buildings so residents knew what was going on, and do
16 pre-info transfer meetings.

17 COUNCIL MEMBER KALLOS: And at the--so--so
18 I'll--I'll take that as a yes. Now that we have 20/20
19 hindsight, do you feel that that notice was
20 effective?

21 COMMISSIONER CARROLL: Council Member, we
22 believe our notices were effective because there were
23 420 properties that were selected, and only 62
24 properties are now transferred. These properties have
25 an average, um, arrears to the city of \$800,000 and

2 about 8 B & C violations. So, we feel that our
3 ability to get all those properties in and out of the
4 process [bell] and paying their taxes and stabilizing
5 is a success.

6 COUNCIL MEMBER KALLOS: May-may I have
7 more time to continue. I-I would prefer not to go
8 back to the Chairs' exhibits, but clearly it was not
9 effective. The other question I had during the
10 August hearing was how were the people who were being
11 given these buildings selected?

12 COMMISSIONER CARROLL: Okay, so, thank
13 your Council Member for that question. The city
14 selects not-for-profit owners and developers and for-
15 profit developers that have a presence—a track record
16 and a presence in the communities where these
17 buildings are through an RFQ process. So, it's
18 Request for Qualifications. They have to go through
19 a review process through the MOCS review process,
20 Vindex Sponsor Review where the city looks at their
21 track record, the buildings they own, and their
22 ability to provide rehab and also maintain these, um,
23 properties as affordable housing.

2 COUNCIL MEMBER KALLOS: Are elected
3 officials able to weigh in on which vendors who are
4 responding can get a specific building?

5 COMMISSIONER CARROLL: So, you know, the
6 RFQ process is a fair and transparent process but, of
7 course, we always take into account Council Members
8 experience experiences with developers and their
9 ability to per-to perform in your district.

10 COUNCIL MEMBER KALLOS: In an analysis I
11 found that a lot of the larger buildings went to for-
12 profit developers and smaller buildings went to non-
13 profit developers. Did any of those for-profit
14 developers make campaign contributions to elected
15 officials or people involved in city government or
16 overseeing HPD?

17 COMMISSIONER CARROLL: So, as I said,
18 Council Member, our process is an RFQ process. It's
19 fair and transparent. We do not use criteria just
20 counting contributions to select developers. What we
21 do is we select people who have a track record of
22 building and providing safe affordable housing
23 through a transparent RFQ process.

24 COUNCIL MEMBER KALLOS: You cut—you said
25 the word 'transparent' which is actually my favorite

2 word. Will HPD, right now will you promise to make
3 the HPD compliance packages that were submitted as
4 part of Round 10 available to the City Council and
5 the public at large? The entire HPD Compliance
6 package--

7 COMMISSIONER CARROLL: So--

8 COUNCIL MEMBER KALLOS: [interposing] --
9 because you're transparent?

10 COMMISSIONER CARROLL: Council Member, I
11 will go back to my-my office and see what we can
12 provide by law, and what we can't, but I'd like to
13 say that 94% of buildings are owned by not-for-
14 profits in the TPT Program.

15 COUNCIL MEMBER KALLOS: The-the last and
16 final question. I appreciate the indulgence from the
17 Chairs. During the process, I asked what the Third
18 Party Transfer Program was necessary in order to give
19 Article XI tax exemptions, and why not just give the
20 HDFCs themselves directly the Article XI? Why not
21 abate the water bills. It was something that got
22 brought up multiple times. Let our record reflects
23 there are a lot of people doing jazz hands in the
24 audience, and I know that that happened multiple
25 times in Perkins' district. If somebody is in an HDFC

2 will you commit to making Article XI available to
3 them, and making I retroactive so that it can go back
4 40 years and forward 40 years to obliterate all
5 possible tax-taxes that are owed?

6 COMMISSIONER CARROLL: Council Member,
7 that is a brilliant question, and yes Article XI tax
8 exemptions are available to all HDFCs, and we have
9 tried throughout this process to get people to apply
10 for these very Article XI tax exemptions, and the
11 properties that were able to do so, did so, and the
12 properties that were we did not have a working
13 partner on the other end were not able to get through
14 the process. But yes, we agree, you know, HDFCs can
15 get an Article XI tax exemption, and, um, to abate-to
16 remove taxes. We cannot get rid of DEP charges
17 through Article XI.

18 CHAIRPERSON TORRES: I just want to
19 acknowledge we were joined earlier by Council Member
20 Rosenthal, and we were just joined by Council Member
21 Barron. In addition to Council Member Cornegy, one
22 of the Council Districts most affected is that is
23 Council Member Fernando Cabrera who's our next
24 question.

2 COUNCIL MEMBER CABRERA: Thank you so
3 much, and I want to commend both of the Chairs. I've
4 been in the council for 10 years, and this is one of
5 the most prepared hearings I have ever witnessed.
6 So, I commend both of you and the staff. I have to
7 tell you, Commissioner you know how I feel about
8 this. I am mad. I am livid especially to what
9 happened in my district and in particular to 1600
10 Nelson. I've—I've stood here, I've sat here for the
11 last two hours listening about prevention. I have to
12 tell you that all I have seen is epic failure on
13 multiple levels. There is no prevention program that
14 I have seen in my district. I can't—now I have to
15 tell you the reason why you're hearing from so many
16 Council Members is because this is not in particular
17 to one district. This is systemic. The second
18 thing you mention that, um, that distress is not a
19 criteria based in the law, but that's exactly what
20 your staff came to us selling the most. Yes, that
21 was the sale point. Oh, these—these properties are in
22 distress, and so they painted this picture. We're not
23 making this up. This is their—this is a concerted
24 voice that you keep hearing today, and I know you're
25 new. You're inheriting what was done before, and I

2 hope that you take the leadership to basically change
3 the system and the structure that is literally
4 robbing our people from their property. This is--this
5 is incon--inconceivable to me that I have to visit
6 people in my district crying, literally crying having
7 building meetings where they are--they're stressed
8 out. They are--it's a human component. I know we
9 brought a lot of numbers here, but I have to tell you
10 that these shareholders they're not making stuff up.
11 They're not saying, you know, my shareholders they're
12 saying we never got any notices. Never got a notice.
13 I think every shareholder in the building should get
14 a certified mail. There should be ways to prove--
15 [applause] No clapping.

16 AUDIENCE MEMBER: Be quiet, people.

17 COUNCIL MEMBER CARRERA: --and I have to
18 tell you that.

19 AUDIENCE MEMBER: He's not helping.

20 COUNCIL MEMBER CABRERA: Let me finish.
21 I've been to wonderful to you. Thank you.

22 AUDIENCE MEMBER: He's not helping.

23 COUNCIL MEMBER CABRERA: Thank you. I am
24 speaking for you.

25 AUDIENCE MEMBER: Oh, thank you.

2 COUNCIL MEMBER CABRERA: Thank you. I'm
3 speaking for you, but I have to tell you, I have to
4 tell you.

5 AUDIENCE MEMBER: Go away.

6 COUNCIL MEMBER CABRERA: And you see, you
7 see the distress.

8 AUDIENCE MEMBER: Okay, thank you.

9 COUNCIL MEMBER CABRERA: People, there's
10 a level of anxiety of to be able to lose, and let me
11 tell you what I believe is the bottom line. Let me
12 say what I haven't heard today being said. It is all
13 about numbers. It's all about the numbers of
14 reaching affordable housing units to be able to say
15 we did this many affordable housing units, but we
16 cannot do it on the backs--on the backs of
17 shareholders that have been there like the gentleman
18 Paul that came here earlier. They've been there 30
19 years, some of them 40 years, 45 years, families from
20 generation to generation. So, I--I would hope to
21 both of the Chairs and I know where your heart is at
22 that we'll be able--we'll be able to change the 1996
23 law with the best intentions that they had there back
24 then. That--that law is antiquated. It is not
25 practical. It is not relevant to what our people are

2 going through, and it's enough of-of literally-
3 literally kicking people out, out of their equity
4 that they had, and that they worked so hard for. I
5 literally have no questions because I said it all.
6 Thank you so much. [applause]

7 CHAIRPERSON CORNEGY: Thank-thank you,
8 Council-thank you Council Member.

9 SERGEANT-AT-ARMS: Quiet please.

10 CHAIRPERSON CORNEGY: I'm just going to
11 ask that I know that people are incredibly passionate
12 about this issue, but in the effort to have
13 everyone's voices heard, if you could try to contain
14 your emotions, there is going to be an opportunity
15 for testimony from-from constituents, and we-we look
16 forward to that. Please just try to contain
17 yourself. I want everyone to be able to stay in the
18 Chambers to be heard, but it's difficult to do that.
19 The-the security here is responsible for maintaining
20 some order even though we're all incredibly
21 passionate. If you could do that, we could get
22 through this hearing and everyone could be heard.
23 Thank you. I'm going to move now to Council Member
24 Carlina Rivera. I just want to say that the comments
25 I made earlier about Manhattan did not mean that I

2 don't include the hard work of my colleagues in
3 Manhattan and the Bronx around the Third Party
4 Transfer issue, Carlina Rivera being one of them.

5 COUNCIL MEMBER RIVERA: Thank you, Chair
6 Cornegy, and that brings me to my first point about
7 the Borough of Manhattan being where there is a very
8 high concentration of HDFC. Thousands of families in
9 my district are affected every single day because HPD
10 we understand you are trying to bring a program about
11 preservation, but for many of us it is too little too
12 late, and that intervention should have been present
13 and should have been accounted for years, and years
14 and years and years ago, and not just at the
15 beginning of anyone's campaign. These are people who
16 took over buildings in the '60s and '70s when no one
17 wanted to live in these neighborhoods where they
18 rehabilitated these buildings in an urban home
19 setting movement that inspired the entire world that
20 they used the sweat equity to not just rehab
21 buildings, but out rubble and create gardens so they
22 had open space so they would breathe right adjacent
23 to their new homes. So, there is a lot of investment
24 and there are so many people just giving their time
25 right now, and in April 2018, I sat right where

1 Council Member Torres was alongside Chair Cornegy and
2 for 4-1/2 hours we heard testimony from HDFC
3 shareholders, and we looked at the Third Party
4 Transfer Program. Four and a half hours of
5 testimony. I never moved from that chair because
6 every single person had a story, and so I just want
7 to ask and in that time and a year and—and three
8 months, and four years and ten years, what—what have
9 you learned. What—why is this the program that you
10 continue to go back to, and I feel like unfortunately
11 a symptom of this Administration is a one-size-fits-
12 all approach in many, many, many respects. That is
13 not working with our neighborhoods are so nuanced.
14 So, let me get more specific because I don't have a
15 lot of time, and there are a lot of people with
16 questions, but I just want to add that people here
17 the reason why they're passionate they feel confused,
18 they feel disrespected and they feel targeted. So,
19 when my former colleague in the City Council and now
20 Public Advocate Jumaane Williams says that 500
21 buildings made up of 50–6,500 units for mostly female
22 headed households and senior citizens with reports
23 emerging show over 60 properties of black and brown
24 homeowners in lower-income neighborhoods being
25

2 targeted, what do you say to—to those demographics?

3 Do you keep them? Do you have—are you looking at
4 them and making sure that internally that we are not
5 targeting these neighborhoods?

6 COMMISSIONER CARROLL: Thank you Council
7 Member for that question. Um, I appreciate it. We
8 are not targeting black and brown neighborhoods or
9 families. (audience members comment) and I'm not—I'm
10 not saying that you're going in with this intention,
11 but when you look at the data, and it happens again
12 and again and again, there has to be some sort of
13 self-reflection. You have to be looking at why is
14 it. In my neighborhood that has changed dramatically
15 over the past couple of decades. Where are my black
16 and brown families. They are in HDFCs, they are in
17 public housing, they are in what's left of Mitchell
18 Lama, and they rent stabilized units. So, we are
19 asking what—what is it? Who's—you say in your
20 testimony several co-op buildings were party to
21 ongoing housing court litigation for lack of heat,
22 hot water, gas or other critical services. Yes. I
23 absolutely agree that there needs to be an
24 educational component to every person who is going to
25 be managing their own building, but—but what is that

2 like? What are the types of clinics that you're even
3 offering, and how often?

4 COMMISSIONER CARROLL: So, thank you,
5 Council Member for that question. First, let me say
6 we share the same values that of homeownership and
7 safe habitable housing. We also want to point out
8 that we're--while we're focusing on yes--

9 SERGEANT-AT-ARMS: [interposing] Keep it
10 down.

11 COMMISSIONER CARROLL: -- there are
12 issues, which is why we have a working group, which
13 is why we welcome all the voices, which is why we're--
14 we're ready to sit down and--and figure out a way to
15 change the problem. In the meantime, we have the law
16 as it is on the books. The second thing I's like to
17 point out is that of 420 properties, 62 properties
18 are left in this process, and those 62 properties
19 have a lot of financial issues, and so, you know,
20 yes, what have we done? Well, you know, the city
21 created these 1,260 something HDFCs, but we have a
22 contract with a not-for-profit. It used to be UHAB,
23 and, um, now it's the--the--the Neighborhood Housing
24 Services--Housing Services Program and they are on
25 contract on a yearly basis. They're on contract so

1 that any—any of these HDFCs can go to them for
2 training, advice, help and issues. I'd like to also
3 say that in the three years since we started this
4 round we have made outreach. We've sent out letters
5 to people including, you know, the rental properties
6 don't have an opportunity to get a tax exemption to
7 get rid of all of the arrears, gut the HDFCs so, and
8 we reached out to them. We sent them many letters
9 telling them what the deadline was and what the
10 process is in order for us to help them get a tax
11 exemption. So, I welcome us all sitting down in this
12 working group and trying to figure out what is the
13 best way of making sure that all of the resources
14 that we have, and we have a lot of them in this
15 agency for loans for small homeowners, et cetera that
16 why it's not getting through and why people are being
17 foreclosed.

19 COUNCIL MEMBER RIVERA: I understand and
20 I'll just say that I had a building that almost when
21 through the TPT program on East 13th Street. I think
22 that the educational component there of knowing if
23 that building had gone through the TPT Program, they
24 would have lost their rights as homeowners. So, this
25 is actually attributing to also the loss of

2 homeownership opportunity, which is rare and
3 infrequent in the city. So, I'm—I'm okay with
4 looking, you know, looking at how we can work
5 together. I don't think anyone here is opposed to
6 working together. I think Council Member Torres was
7 very clear in saying that it needs reform, but it is
8 too many people who are starting to all wonder why,
9 why is it always them? Why are they always the ones
10 that are being forced out? So, I thank you for—for
11 answering my questions. I don't—I don't have any
12 more time. I guess, you know, we can always catch up
13 at a later date. Thank you, Chairs for—for being
14 gracious in your time.

15 CHAIRPERSON TORRES: Well, thank you,
16 Council Member, Council Member Ayala.

17 COUNCIL MEMBER AYALA: Thank you, Chair.
18 I'm not going to—I'm not going to blame H—I'm not
19 going to say that yes that HPD is specifically
20 targeting black and brown communities even though
21 that's what it looks like. However, what I would say
22 is that considering that most of these buildings are
23 in black and brown communities and considering that
24 these black and brown communities are rapidly
25 gentrifying communities and—and for the most part,

1
2 you would assume that HPD would assume a role where
3 they would move mountains to protect and preserve
4 this viable piece of housing stock. The fact that so
5 many of our HDFCs reported to us that they had not
6 heard from HPD when HPD was asserting that they had
7 made over 70 points of contact with these buildings
8 is alarming and it's one too many people. When one
9 person says I didn't hear back maybe a letter got
10 lost. When two people say it, maybe, right? It's
11 possible, but when you have this many individuals
12 reporting that they never received anything, and if
13 they did receive, um, a piece of--a document it was
14 toward the latter part of the process, that's
15 alarming. We as elected officials could be helpful,
16 right, if-if we were alerted in time. I think by the
17 time that we--that I-I know specifically I will speak
18 for my district--by the time that I was told that my
19 buildings were being transferred, it was already--
20 these buildings had already been selected. There was
21 not conversation to be had. We were lucky because we
22 were able to save a few of them and have they pulled
23 out of the list, but had I not been paying attention,
24 they would have potentially ended up being
25 transferred. And so, I-I would urge you to seriously

2 consider creating some sort of mechanism that would
3 raise a red flag for those buildings specifically
4 that are in communities that are undergoing such
5 significant change because for some of us this is all
6 we have left, and so we're going to fight and we're
7 going to fight hard. And so I don't again, you know,
8 it's just—it's just a consideration. Do you know
9 however if, were there any individual people that
10 went into the buildings that actually did door-
11 knocking?

12 COMMISSIONER CARROLL: Yes, so—so, the
13 majority of the HDFCs if we were able to get—we did
14 flyer, and if we're able to get in the building,
15 we put a flyer under every door. Um, you know, I'll
16 tell you the issue we're having is the boards. So,
17 out of 118 or 19 HDFCs that got in, the 25 that are
18 left with this huge amount of arrears, you know, has
19 something to do with the governance of these
20 properties right. So, if you don't have an effective
21 board and it's the board that we're communicating
22 with because it's the legal entity that represents
23 those properties. If they're not effective in
24 following instruction and being a partner on the

2 other end to get that Article XI tax exemption, then
3 that's a real issue for us.

4 COUNCIL MEMBER AYALA: I would—I would
5 also consider—I would ask you to consider [bell] as
6 we are creating more and more community land trusts
7 throughout the city, that that be an alternative for
8 transferring over property that needs to be
9 transferred. I'm not saying that every property needs
10 to be transferred. I guess that's on a case-by-case
11 basis, but I've had, you know, I've had buildings
12 that are so distressed, um, and, you know, so poorly
13 managed because the—the leadership has, you know,
14 either left or become some elderly that they've asked
15 that the buildings be transferred, but in—in those
16 cases I think if we're able to secure the property by
17 transferring them to a community land trust model,
18 then it ensures that these shareholders remain
19 shareholders, and they're not losing the equity on
20 their—on their units. It's something that I've been
21 thinking about, and I've spoken to HPD in the past
22 about, but I think that it needs to be given serious
23 consideration.

24 COMMISSIONER CARROLL: Absolutely,
25 Council Member. They are—the community land trusts

2 are eligible to take those properties, and we will
3 explore that.

4 COUNCIL MEMBER AYALA: Thank you.

5 CHAIRPERSON TORRES: Council Member
6 Gjonaj.

7 COUNCIL MEMBER GJONAJ: Thank you,
8 Chairs. This is an incredibly eye-opening hearing,
9 and I'm just very fortunate to be a part of it, but
10 Commissioner, so it's my understanding that this is
11 all about using this as a tool for tax collecting and
12 forcing property owners to make repairs. Is that
13 correct?

14 COMMISSIONER CARROLL: It is by law
15 primarily a tax collection tool that's correct, but
16 in addition we add properties that are-that are
17 statutorily distressed--

18 COUNCIL MEMBER GJONAJ: Uh-hm.

19 COMMISSIONER CARROLL: --i.e., they have
20 these violations, et cetera and force them to make
21 repairs.

22 COUNCIL MEMBER GJONAJ: So, my only
23 question is how can we get this to apply to New York
24 City's housing, NYCHA? [audience cheering]

2 COMMISSIONER CARROLL: Thank you, Council
3 Member.

4 COUNCIL MEMBER GJONAJ: Don't answer
5 that. It's okay--

6 COMMISSIONER CARROLL: [laughs]

7 COUNCIL MEMBER GJONAJ: --but it would be
8 wonderful if we can have the same principles and the
9 same commitment to NYCHA residents as we hold our own
10 property owners.

11 COMMISSIONER CARROLL: I'm sorry, Council
12 Member I was not--

13 COUNCIL MEMBER GJONAJ: [interposing] So,
14 by the way, I just want to--okay, go.

15 COMMISSIONER CARROLL: I would love to
16 answer that because before I got to HPD, I was at
17 HDC--

18 COUNCIL MEMBER GJONAJ: Uh-hm.

19 COMMISSIONER CARROLL: --briefly and I
20 know that the Administration is committed to NYCHA
21 and that there is a plan or Housing 2.0--NYCHA 2.0
22 plan that HDC that helps finance our projects at HPD
23 is lending their expertise to finance repairs for
24 NYCHA projects.

25

2 COUNCIL MEMBER GJONAJ: So, I just want
3 to touch on the initial—the incentives that we have
4 for property owners to actually pay their real estate
5 taxes, water and sewer and emergency repairs bills.
6 It's a called an 18% interest compounded. They don't
7 need more incentive. If they had the ability and the
8 wherewithal to pay, they would, and in most cases
9 it's not that they don't have it, they're not aware.
10 They pay off their mortgages. They don't realize
11 that they—they're not accustomed to paying their own
12 real estate taxes. They're not accustomed to when
13 they inherit a house, or the bill goes to another
14 address and they've changed their home address to a
15 billing address that they're not aware that the real
16 estate taxes are due, and sometimes in my own
17 experience it takes the Department of Finance more
18 than a decade to correct the new address of the
19 property owner. I'm going to add that perhaps this
20 is more in line, and I'm probably going to get
21 blasted for this, but that's okay, and the mission
22 that this Administration really does not believe in
23 property rights. That's what this comes down to.
24 [applause] And I will quote this Administration:
25 What's been hardest in the way of our legal system is

1 structured to favor private property. I think people
2 all over the city of every background would like to
3 have the city government be able to determine which
4 building goes where, how high it will be. Who gets
5 to live in it, and what the rent will be. I think
6 there's a socialistic impulse, which I hear everyday
7 in every kind of community that they would like
8 things to be planned in accordance to their needs,
9 and I would like to unfortunately, what stands in the
10 way of this is hundreds of years of history that have
11 elevated property rights and wealth to the point that
12 there is that's the reality that calls for the tune
13 of a lot of development. And if I had it my way, city
14 government would determine every single plot of land,
15 how development would proceed and there would be very
16 stringent requirements in and around income levels
17 and rents. That's a world I'd loved to see, and I
18 think what we have in this city at least are people
19 who would like—who would love have the New Deal back
20 on one level. They'd love to have every-the very
21 powerful government involved in directly addressing
22 their day-to-day reality. That is called Communism.
23 Their taking of private property. So, I guess unless
24 we change the approach and respect property owners
25

2 for what they are, we'll be the newest member to the
3 Russian Block, New York City. Thank you.

4 SERGEANT-AT-ARMS: Keep it down.

5 CHAIRPERSON TORRES: This is a pretty
6 extensive—I didn't realize we were going to cover
7 Marxism so-

8 COUNCIL MEMBER YEGER: Sorry.

9 CHAIRPERSON TORRES: --I'm getting.

10 COUNCIL MEMBER YEGER: I got what we
11 have, (sic) Chairs. Thank you.

12 COUNCIL MEMBER YEGER: Thank you, Mr.
13 Chairman. Madam Commissioner. Good afternoon. I
14 know, a number of my colleagues have asked this, and
15 you've—you've insisted throughout your testimony, um,
16 focusing on the notion that primarily—I think that's
17 the—the adjective you used, that this is a tax
18 collection tool, and you even presented with a
19 booklet prepared by the Oversight and Investigations
20 Committee that this ten examples of properties and I
21 recognize it's not fully inclusive, but I just want
22 to list a couple of them. Exhibit 16 has a property
23 with no outstanding taxes, no violations. It's a 2-
24 family home. Exhibit 17 has a property with \$153 in
25 outstanding taxes, two violations. Exhibit 19 has a

1 property with \$2,389 in outstanding taxes, which
2 while it may seem like a lot is lower than a lot of
3 rents in the city. It's lower than my rent, eight
4 violations. Exhibit 20 has a property of \$1,001,
5 which is \$1.00 above the threshold that—on the
6 statute that you focus on with 13 violations.
7 Exhibit 22 has \$1,790 in taxes with 1 violation.
8 Exhibit 23 arguably and admittedly has \$11,918 in
9 taxes, but it's a 2-family home, and Exhibit 24 has
10 outstanding taxes of \$1,233 and one violation. The—
11 you—you focused a lot of your testimony on the notion
12 that the Council the Council the Council, pass this
13 law, pass this law, pass this law, but a quarter of a
14 century ago under Mayor Giuliani, and I—I couldn't
15 help but think throughout the entirety of your
16 testimony and the questions from my colleagues that
17 somewhere, some—some place in the bowels of the
18 city's government is a person who reviews whatever
19 information the computers have generated. I mean
20 they re not robots that figure this out. They are
21 people, and would get a piece of paper in front of
22 them saying, Well, you know, a property with \$153 in
23 taxes and two violations may be not so much for this
24 program. And I'm trying to understand where—and I
25

1 haven't really heard you say that, and I recognize
2 you've only been there for three months. So, this is
3 not a critique of you per se as much as it is of-of
4 the agency's work. I'm trying to understand how we
5 come to the point where there is no person or group
6 of people in city government somewhere who gets a
7 stack of papers on their desk and says., well, not
8 this property is not going to be part of this
9 program.
10

11 COMMISSIONER CARROLL: So, thank you,
12 Council Member for this question. You know, my
13 colleagues at HPD are public servants who are really
14 sincere in the job that they do everyday, and when
15 they are selecting properties they are actually
16 selecting properties with the highest arrears.

17 COUNCIL MEMBER YEGER: Commissioner, I-I
18 only--

19 COMMISSIONER CARROLL: The property--

20 COUNCIL MEMBER YEGER: I--I appreciate
21 that. I only have three minutes. You get--you don't
22 get a clock. I do. I-I and I apologize for this, but
23 I'm not going to get a lot of time. At the end of
24 the day we're talking about a property with \$153.
25 I'm not asking you to speak to a specific property,

1 but there are clearly an example—a sampling within
2 these 420 properties, of properties with very, very
3 low outstanding liabilities. One clearly identified
4 as having none, and very, very low or relatively low
5 outstanding violations, and I recognize that in your
6 presentation there were pictures that I would not
7 want to live in properties with those pictures, but I
8 also have to recognize that I assume Mr. Saunders'
9 property was not depicted in your presentation with
10 photos, and I'm not saying that you—you ought to be
11 able—in a position to answer specifically to his or
12 to any other property, but there are clearly a
13 listing of properties in that booklet that you have
14 in front of you that don't—wouldn't—we wouldn't think
15 would fit into a program like this, and without going
16 into the notion of there are great people at HPD,
17 people who took the same oath that you and I did, but
18 something has failed there where they're not picking
19 up and saying this property is not right for the
20 program. What is that failure? That's what I'm
21 asking.
22

23 COMMISSIONER CARROLL: So, Council
24 Member, it's the law. They're following the law. So,
25 once they've selected the properties that have the

1 highest arrears, the law says that they have to pick
2 up the other properties as well, but these properties
3 get selected. They don't get transferred. So the
4 properties that have the low violation amounts, they
5 get selected, but quickly exit the program. What we—
6 where we are is at the end of the program where there
7 are only 62 properties left, and these properties
8 have an average of \$800,000 owed to the city per
9 property, and that is the focus for us. So,
10 regardless of where—it's a three-year long process.
11 So, if the law says you can't pick this one without
12 picking up that one, we get all of those properties
13 out of that one.

14
15 COUNCIL MEMBER YEGER: [interposing] But
16 you're saying there's no discretion within the agency
17 to simply look at a property has a zero dollar tax
18 lien, a tax liability and zero violations, and is a
19 two-family house, and to say this property
20 notwithstanding what the law says, we have the
21 discretion not include that?

22 COMMISSIONER CARROLL: So, a property
23 without, um, without having many violations that
24 property would not qualify. So, I cannot speak to
25 the particular properties without the

2 COUNCIL MEMBER YEGER: [interposing] I'm
3 looking at--at 1880--I don't want to read the addresses
4 into the record, but I'm looking at Exhibit 16 in the
5 booklet that we were given by the committee staff in
6 University Heights, Morris Heights in the Bronx.
7 It's a two-family home. It looks lovely on the
8 outside. Has not violations, has zero dollars in
9 owed money. Exhibit 17 in Councilman Cornegy's
10 District with a market value--I'm not going to--I'm not
11 going to get into market value. I agree with you, by
12 the way that you have statutory restrictions on what
13 constitutes a DOF market value versus a real time
14 market value, nine dwelling units, two violations and
15 owes \$153. Somewhere there has to be a guide. It
16 doesn't a guy, it could be a woman, too. Somewhere
17 there has got to be a city employee who gets this in
18 front of them, and says well this is not right. We
19 have to do something, and run it up the flag pole to
20 the point where it gets looked at.

21 COMMISSIONER CARROLL: Well, that
22 property got out. So, that property wasn't
23 transferred. So, I cannot speak to you about--

24 COUNCIL MEMBER YEGER: [interposing] But
25 it got in before it got out.

2 COMMISSIONER CARROLL: I can't speak to
3 this particular property.

4 COUNCIL MEMBER YEGER: Okay.

5 COMMISSIONER CARROLL: But this—but the—
6 any property that does not qualify for the program or
7 was able to exit the program because it was resolved
8 those issues got out. So, we're talking about after
9 a three-year long process we have 62 properties left,
10 and my question is those 62 properties that owe
11 \$800,000 on average and have B & C violations on
12 average of eight, that's what we're left with.

13 COUNCIL MEMBER YEGER: B & C violations
14 of eight are not--

15 COMMISSIONER CARROLL: [interposing] Up
16 to eight really violations.

17 COUNCIL MEMBER YEGER: --are not a lot of
18 a--are not a lot of violations, frankly, and if a
19 building doesn't constitute and--and the Supreme Court
20 has talked about blight with regard to eminent domain
21 and what government can do when it come to taking,
22 and this is a taking. This is a taking, and I feel
23 that way when I vote no on Landmarks Commission's
24 taking as well that this is an absolute taking
25 without just compensation. It's—I'm not blaming you

1 personally for it. I know it's not you, but it is
2 the city. It is the city and that may mean that this
3 body as a whole, and maybe myself are complicit in
4 this, but there is a taking be done, and somebody way
5 before we learn about it, somebody in your agency--
6 there's got to be a person that you could identify
7 who didn't realize or didn't identify or didn't flag
8 a particular group of properties as being unfitting
9 for if not the letter of the law, but the intent of
10 the law.
11

12 COMMISSIONER CARROLL: Look, Council
13 Member, this is a great question. I'd like to say
14 that not only was this property not transferred so
15 the process worked, but the Council has to pass a
16 Local Law to actually transfer these properties which
17 DEP--

18 COUNCIL MEMBER YEGER: [interposing] But
19 we have to pass a law to take it to not transfer it.

20 COMMISSIONER CARROLL: To not transfer
21 the properties, that's correct.

22 COUNCIL MEMBER YEGER: That's correct.
23 We have to affirmatively ask to do the reverse to
24 stop you from doing something.
25

2 COMMISSIONER CARROLL: So, in that 45-day
3 period that the Council has to review all properties
4 in their districts, and decide whether these
5 properties actually get transferred or not. We have
6 done that with this body. So, I say we have a working
7 group. Let's take a look. Let's take a look at all
8 of the unintended consequences. Let's take a look a
9 what you'd like it to be.

10 COUNCIL MEMBER YEGER: But my-my-
11 Commissioner, my time has long expired, and the
12 Chairs have been very indulgent with me. I will say
13 that the following as a final point. My-my principal
14 question going into this was: There's got to be a
15 group of people somewhere in your agency that-that
16 didn't do right. I'm not saying that they-I'm not
17 saying that they failed on their jobs, but they got a
18 set of papers in front of them. They looked at
19 things, and they didn't pick up that some properties
20 are just not fitting with the intent of the 1996
21 Council that adopted this law and three mayors ago
22 that adopted this law. We are a quarter of a century
23 later. It's a \$1,000. Some of these properties
24 don't even the \$1,000. The idea of what-what the
25 city looked like in terms of properties in 1996 is

1 different from what the property—the city looks like
2 in 2015, '16, '17 and '18 and '19. We're in a
3 different place, and somebody or a group of people in
4 your agency didn't realize that something is wrong
5 here, and I'm suggesting that that's a problem.

6
7 COMMISSIONER CARROLL: Well, we have a
8 working group, Council Member.

9 COUNCIL MEMBER YEGER: I'll just add
10 that--

11 COMMISSIONER CARROLL: So, we recognize
12 that we need to all work together to make changes to
13 this program.

14 COUNCIL MEMBER YEGER: I, uh, go back to
15 the Chair. Thank you very much.

16 CHAIRPERSON CORNEGY: So, I just want to
17 follow up on a couple of things. One is the idea
18 that yes we as a Council passed off on some—signed
19 off on some of these Third Party Transfers, but as
20 Council Member Cabrera articulated, we were sold the
21 idea that they were distressed properties. Now,
22 you're here today saying that distressed properties
23 doesn't fit the criteria in its taxes. Us a Council
24 Members were clearly by staff at HPD told that these
25 properties were, if not unin, you know,

1 uninhabitable, they were certainly distressed
2 properties, and the transfer was necessary so that
3 people could have a quality of life that was
4 consistent with being human beings. That was the
5 language that was used to Council Members to get them
6 to do that. Now, did every Council Member go to
7 every Third Party Transfer on the list in their
8 district and visit them? No, because I'm the Chair
9 of Housing and Buildings I did visit a couple, but
10 there were so many on my list it wasn't even humanly
11 possible even in that period to visit them. So, I
12 don't want it to seem like we were, you know, that-
13 that as members, we just signed off. That wasn't the
14 case. We expected—we had a reasonable expectation
15 that the Administration in the part—in the party of
16 HPD would be providing us with the necessary
17 information for us to make an informed decision, and
18 if some of that was at the very least the
19 communication wasn't up to par, I won't say that it
20 was misleading because I think that would be unfair
21 to say, but my colleague did mention that the word
22 *distressed* was used several times to my knowledge
23 even in the—the—the process of the, um, Third Party
24 Transfers that were in my district, and we then
25

1 looked at some of them, and it was like ooh. Just
2 like my colleague was mentioning, that doesn't sound
3 like it should be in and then did a further step in
4 this, and then I also want to point out that while
5 you're saying that some—that these egregious ones
6 that we showed on the slides were taking out, Maureen
7 Saunders was not. So, that is tremendous concern to
8 me that how many more of her are there than the
9 intended people. If she didn't have her own
10 advocacy, now we talked to her son, but she's quite
11 capable herself to-to call, to make the necessary
12 calls and put people to tasks as a senior. There are
13 seniors that are not. So, my concern in my district
14 is how many of these went through in prior rounds
15 which nobody checked, and nobody went hard for them.
16 So, while you want to—while we want to talk about
17 going forward, which is always the appropriate thing
18 to do when we recognize something is wrong, we're
19 talk about the transfer of wealth—the accumulation
20 and transfer of wealth in particular communities that
21 don't have that option often times. So, while I'm
22 willing to and looking forward to partnering with—
23 through the working group and going forward, I have
24 to look in my rearview mirror and a little bit
25

1 because I know that there is at least one family that
2 sits here that if they didn't have the advocacy and
3 the gumption to do what they did, they would
4 absolutely be without their property today. So, how
5 many others are there? I-I don't know. So, there-
6 there are some that you're saying that were
7 egregiously on the list and were removed. How many-
8 how many were not, and so this is a serious issue
9 because what could you do with \$1.5 million of
10 equity? Could you buy more properties and become a
11 landlord? Could you invest in a business? Could you
12 send your children to college? Could you do-all of
13 the things that lift people out of poverty could
14 happen. How many times did that not happen and the
15 city is complicit in it is my concern.

17 COMMISSIONER CARROLL: So, thank you,
18 Council Member for that question. Again, we share
19 your values. I do want to point out that in the
20 Saunders case, they put the wrong account on the
21 check and so the money was put on the wrong property.

22 CHAIRPERSON CORNEGY: [interposing] It
23 was still \$3,000. I don't care where it went. It
24 was \$3,000 loan to value on a \$1.50 million property.
25 I-I don't know how I could possibly rationalize that.

1
2 If this was the banking industry that did something
3 like that, this would be a different kind of hearing
4 and—and it—and it smells, and I've been careful not
5 to use that word because I am the Chair, but—but the
6 word taking—the word taking is a word that comes up
7 again, and again, and again in particular
8 communities, and it's of grave concern. If—we're
9 facing in my district along Third Party Transfer plus
10 deed theft and deed fraud, plus lien sales. That all
11 feels like an assault on people's ability to build
12 and transfer wealth, and if I'm complicit in that as
13 a Council Member and a legislator, then I've got to
14 be accountable for that. If the city and the
15 agencies and the Administration is complicit in that,
16 they have to be accountable as well is all I'm
17 saying.

18 CHAIRPERSON TORRES: Council Member
19 Ampry-Samuel.

20 SERGEANT-AT-ARMS: Keep it down.

21 COUNCIL MEMBER AMPRY-SAMUEL: Hi. So
22 besides looking like each other, Chair Cornegy, we
23 usually have the same thoughts, and everything that I
24 just wanted to say is what, um, Chair Cornegy just
25 expressed. I—I represent the district where Mr.

1 Dorsey lives, and throughout those slide
2 presentations that particular case was referenced
3 several times, and when we were going through this
4 process Associate Commissioner Darga—Darga can—can—
5 can, um, attest to this. When I was sitting in a
6 meeting I was overwhelmed with emotion, and was so
7 upset and furious as to the—the lack of responsible
8 for me the lack of empathy towards what was happening
9 in my district and communities like my district. I
10 was so upset that I started to curse, and that was
11 outside of my character in a—in a professional
12 setting, and, um, Associate Commissioner Darga can—
13 that really didn't end well with us at all. Um, and
14 that was last year, and so I just wanted to say on
15 record that I'm thankful that Chair Torres and Chair
16 Cornegy is having this hearing, and this like what's
17 happening now, and taking a look at it, and the
18 discussion around the work group because last year
19 during that meeting, I was so angry, and I felt like
20 I was alone because the agency led me to believe that
21 I was the only one that was so pissed off, and I was
22 the only one that was just so angry and trying to do
23 something on behalf of the homeowners in my community
24 and in particular Mr. Dorsey, who was losing his
25

2 home. And so, um, this for me is helpful to hear
3 the—you know, I don't like to hear the level of
4 frustration amongst—amongst my colleagues, but to
5 know that we're all going through this, and you are
6 working on making this right, and so I just wanted to
7 say that, and I—I don't want to take up too much time
8 because I do look forward to the testimony of Mr.
9 Dorsey and the other advocates that are here today.
10 So, thank you. No question.

11 COMMISSIONER CARROLL: Thank you, Council
12 Member.

13 CHAIRPERSON TORRES: Thank you, Council
14 member. I want to—I want to revisit some of the
15 questions that Council Member Cornegy asked you
16 because the geographic and racial disparities are so
17 glaring. The fact that HPD selected 32 properties in
18 a single neighborhood in Brooklyn, Crown Heights, but
19 zero properties in Staten Island, and it had me
20 wondering what accounts for those disparities, and
21 earlier—can we pull up Exhibit 12? We point to DOF's
22 website stating the a property could be subject to In
23 Rem foreclosure if "Your property is in an area that
24 the city considers to be blighted." An when I came
25 across the word blighted on DOF's website, I was

2 remind to Robert Moses who had the authority to
3 declare a neighborhood blighted and—and a slum for
4 the purpose of slum clearance and urban renewal, and—
5 and so my question is: What exactly did that word
6 mean, and who gets to decide what qualifies as a
7 blighted area? We—we didn't actually—I didn't hear
8 an answer to that question from DOF.

9 COMMISSIONER CARROLL: Alright, so thanks
10 for—thank you, Council Member for that question
11 before I turn to DOF. That is an unfortunate term
12 because that term is not in the TPT Law, right. It
13 is not in the 1996 law as passed by the Council.
14 There requirements I'd like to remind because we—it
15 gets a little bit lost because of this—the last 62
16 properties that have been transferred, but the
17 requirements according to law is that arrears are
18 owed to the city for a—for three years in some cases
19 or more or one year or more, and it just say arrears.
20 The is a Tax Line Sale List that the city has where
21 every property in this entire city that owes the city
22 a \$1,000 or more--

23 CHAIRPERSON TORRES: [interposing] But
24 if feels like there is a targeting of neighborhoods

2 because there are--there are surely tax delinquent
3 properties in Staten Island.

4 COMMISSIONER CARROLL: So--

5 CHAIRPERSON TORRES: [interposing] And
6 you're not targeting Staten Island. You're targeting
7 communities of color. Thirty-two properties in Crown
8 Heights versus zero in the whole borough of Staten
9 Island--

10 CHAIRPERSON CORNEGY: [interposing] Crown
11 Heights bothers me--

12 CHAIRPERSON TORRES: --and ten in the
13 whole borough of Queens.

14 CHAIRPERSON CORNEGY: --one of the
15 highest--highest gentrifying areas at this particular
16 moment in history--

17 COMMISSIONER CARROLL: Uh-hm.

18 CHAIRPERSON CORNEGY: --and it can't be
19 coincidence.

20 COMMISSIONER CARROLL: Thank you, Council
21 Member. There are two issues going on, right. So one
22 is just because a property is look, just because a
23 property isn't in TPT, doesn't mean that if it owes
24 money it's not on the city's Tax Line Sale List. So,
25 I just want to make sure that it's understood that

1 there isn't a property that meets the requirements
2 for being on the Tax Line Sale List where the city
3 sells those liens regularly every year. Properties
4 that owe the city money get on that list, and on that
5 list if your lien is sold to a third party and you
6 don't pay it, you are displaced, you lose your home,
7 and that is going on all over the city. In TPT, we
8 tried—we looked at properties that were on the 90-day
9 list that owed the most money, and unfortunately,
10 when you look at the areas where these properties
11 are, there is a high foreclosure risk in those areas.
12 They have the highest for notices of—of impending for
13 lis pendens from private—from private banks. So, I—I
14 want to stress that we're not--

15
16 CHAIRPERSON TORRES: [interposing] I—I
17 just feel like--

18 COMMISSIONER CARROLL: --auditing the
19 neighborhood.

20 CHAIRPERSON TORRES: --this is—this is
21 the same—this feels like the same argument the NYPD
22 made with Stop and Frisk, right. The NYPD would say
23 we go where the crime is. You're telling me you go
24 where the distress and the debt it, but we
25 demonstrated that there are properties being targeted

2 that have neither debt nor distress, and even when
3 you target those properties just like with the NYPD
4 with Stop and Frisk, we believe you've gone too far
5 because there's no consistency in how you're applying
6 your broad authority to select properties for TPT,
7 but I want to get back to the blighted. If-if
8 there's no legal basis for declaring a neighborhood
9 blighted for the purposes of TPT, why did it appear
10 on DOF's website in the first place?

11 COMMISSIONER CARROLL: So, I will--
12 Council Member, I will let DOF answer this question.
13 I do want to correct—I want to correct some things
14 before we move on, which is a property that is not—
15 does not meet the requirement for the program should
16 not be in the program. I—I--

17 CHAIRPERSON TORRES: Well, three of the
18 selected properties had no tax arrears.

19 COMMISSIONER CARROLL: So, I--

20 CHAIRPERSON TORRES: [interposing] Four
21 of the properties had less than \$1,000. So, whether
22 the threshold is \$1,000 or zero, we have found
23 properties that violate—whose selection violates the
24 law.

2 COMMISSIONER CARROLL: So, of the 420
3 properties, I don't know these properties, but if
4 they don't meet the requirements, they shouldn't be
5 in the program. In any case, in three years the
6 staff has worked tirelessly to get these properties
7 out of the program. This is our job to make sure
8 people who don't belong are out, people who belong,
9 but can take all of our help and resources to
10 stabilize, get out.

11 CHAIRPERSON TORRES: But the ends do not
12 justify the means. The notion that the government can
13 threaten to strip you of all your equity based on one
14 cent in tax arrears is crazy. It's crazy, but I want
15 to get back to the blighted. Why did—if that term
16 has no legal basis in the Administrative Code, why
17 did it appear on DOF's website? I have not heard an
18 answer to that question yet.

19 DEPUTY COMMISSIONER SHEAR: Yes, so the—
20 the short answer is I don't know. We—

21 CHAIRPERSON TORRES: [interposing] So, it
22 just appeared there and no one knows?

23 DEPUTY COMMISSIONER SHEAR: We—we became
24 aware of that actually we were notified that you
25 might be asking about the website.

2 CHAIRPERSON TORRES: I notified you about
3 it, so--

4 DEPUTY COMMISSIONER SHEAR: Yes.

5 CHAIRPERSON TORRES: --but I never got an
6 answer as to--

7 DEPUTY COMMISSIONER SHEAR: You--you
8 notified us, um, and so we looked at it. We saw that
9 it was a mistake. It was wrong, and we fixed it. I
10 do not know how it got there.

11 CHAIRPERSON TORRES: [off mic] Do you
12 have any more questions?

13 CHAIRPERSON CORNEGY: Yeah, so I'm
14 curious as to do you understand why the Council
15 Member and the Council in general around the term
16 *blighted*, is so upset, and do you agree with its
17 inclusion in a D-a Department of Finance website?

18 DEPUTY COMMISSIONER SHEAR: Yes, we
19 agree. We understand the concern. It should not
20 have been there.

21 CHAIRPERSON CORNEGY: Thank you.

22 CHAIRPERSON TORRES: I'm--I'm going to end
23 it here. Who was involved in the decision to select
24 these 420 properties?

2 COMMISSIONER CARROLL: So, it is a—it is
3 a joint decision right. So, we look—HPD looks at the
4 Tax Line Sale List, and picks the properties that
5 have the highest arrears. We also look at our 7-A,
6 AEP program, all of our programs for—for the process.

7 CHAIRPERSON TORRES: But, I'm asking who
8 are the decision makers beyond HPD?

9 COMMISSIONER CARROLL: So, it's a
10 collective three-agency effort. Once we pick the
11 properties, we send the list to DEP and DOF so that
12 they could confirm, and once DOF goes to pull the
13 properties, everything that comes up on the block
14 that meets the requirements then by law has to be
15 pulled. So, it is a joint agency—tri-agency effort.
16 We meet on—we meet on a bi-weekly basis to look at
17 that.

18 CHAIRPERSON TORRES: [interposing] So,
19 that's DOF, HPD and what's the third agency?

20 COMMISSIONER CARROLL: And DEP.

21 CHAIRPERSON TORRES: And does City Hall
22 have a role as well?

23 COMMISSIONER CARROLL: Um, you know,
24 all-parts of government the Council can pull
25

2 properties out of the list. So other agencies don't
3 put properties on the list.

4 CHAIRPERSON TORRES: But the--the Council
5 had no role in the selection of those properties.
6 Did City Hall have a role in in the--

7 COMMISSIONER CARROLL: [interposing] And
8 City Hall has--

9 CHAIRPERSON TORRES: --selection of those
10 properties?

11 COMMISSIONER CARROLL: --they have no role
12 in the selection of the properties. You can pull
13 properties as a Council Member on the--

14 CHAIRPERSON TORRES: [interposing] Who--
15 who was the Commissioner at the time of Round 10 when
16 those properties were selected for Round 10?

17 COMMISSIONER CARROLL: Former
18 Commissioner Vicki Been.

19 CHAIRPERSON TORRES: And what position
20 does Vicki Been hold today?

21 COMMISSIONER CARROLL: She is the Deputy
22 Mayor of this--of--

23 CHAIRPERSON TORRES: [interposing] And
24 so, as Deputy Mayor she oversees HPD and by extension
25 TPT, right?

2 COMMISSIONER CARROLL: By extension the
3 Council and also oversees HPD.

4 CHAIRPERSON TORRES: [interposing] But
5 you—I can't fire you, but you directly report to her
6 in a way that you don't report to me or Robert
7 Cornegy. So, it seems to me if she was the Chief
8 Policymaker on TPT during Round 10, and if she is the
9 Chief Policymaker in Housing today, what is she not
10 here explaining why those 420 were selected/

11 COMMISSIONER CARROLL: So, Council Member
12 that is an excellent question. So, while the
13 Commissioner may be the head of the agency, there are
14 excellent staff at the Deputy Commissioner level and
15 the Assistant and Associate Commissioner level who
16 are responsible for their areas of—their functioning
17 areas, and so even as Commissioner today, I am not in
18 the weed with everything, everybody. There's 2,500
19 people who work in my agency. So, I would not be in
20 the weeds on everything that everybody has done. I
21 would have signed off if people have brought to me a
22 reasonable, rationale policy. So, any—as—as you
23 know, if you're the head of anything, right, you
24 cannot possibly really--

2 CHAIRPERSON TORRES: [interposing] Except
3 here the stakes are higher because it involves
4 people's livelihoods and equity and--

5 COMMISSIONER CARROLL: So, so--

6 CHAIRPERSON TORRES: --and I just want to
7 note for the record we did extend and invite to the
8 Deputy Mayor.

9 COMMISSIONER CARROLL: So, as the
10 Commissioner for HPD, it is appropriate that I appear

11 CHAIRPERSON TORRES: Right

12 COMMISSIONER CARROLL: --before you to
13 testify about my agency's actions.

14 CHAIRPERSON TORRES: I will just say and
15 I'll end it here if--if HPD is unwilling because I--I
16 don't see rhyme or rhythm in some of the select--the
17 properties that you selected, but with the properties
18 that have no distress and arrears, then if HPD is not
19 willing to explain to us the application of TPT to
20 particular properties in a particular cases, you
21 leave us with no choice, but to restrict your
22 authority under the program.

23 COMMISSIONER CARROLL: So, so thank you,
24 Council Member for that. We are part of a group. We
25 have agreed that TPT of 1996 may not be appropriate

2 today, and we are willing to work with you. We have
3 said that everything is on the table, and we have
4 said that we're willing to look for changes in the
5 future. We are aligned in that.

6 CHAIRPERSON TORRES: That's the extent of
7 my questions.

8 CHAIRPERSON CORNEGY: Thank you for your
9 testimony.

10 COMMISSIONER CARROLL: Thank you.

11 SERGEANT-AT-ARMS: Would you please quiet
12 yourselves down?

13 MALE SPEAKER: There's a room, but there
14 is no place to sit down. [pause]

15 CHAIRPERSON TORRES: Oh, you want to go?
16 [background comments/pause]

17 CARMEN QUAMINA: I am Carmen Quamina for
18 the record's sake, and I must to testify today Mr.
19 Jumaane Williams has fought for me up to this day I'm
20 sitting here, and I know I'm going to win, (crying)
21 and get in my house that they just sell for \$1.00,
22 and I just buried my husband Taresti (sp?) over 55
23 years of marriage, she has then to go dead and gone
24 and left me a widow. My house had no debt and had
25 three-three deeds, and I still hold my deed. Where

2 the law is that this young woman speak up. I'm sad
3 about my house at 533 Davenport (sic) Street.

4 [audience yelling in protest]

5 CARMEN QUAMINA: And now I am without
6 the house, and without a husband I owe no debt, and I
7 spent on couches and the little thing I didn't enter
8 into the shelter.

9 CHAIRPERSON CORNEGY: Wait. Hold on, hold
10 on one second. Let us--let us deal with the issues.
11 [applause] [woman shouts: If you want the house, take
12 it]

13 CARMEN QUAMINA: Please help me. The
14 pain is too much.

15 CHAIRPERSON CORNEGY: Wait I--I want you
16 to take an opportunity just to relax for a second
17 while they're clearing the courtroom.

18 CARMEN QUAMINA: Yeah, I do.

19 CHAIRPERSON CORNEGY: I mean the
20 Chambers. Just--just take a deep breath--

21 CARMEN QUAMINA: I will.

22 CHAIRPERSON CORNEGY: --and we're going
23 to come back to you.

24 CARMEN QUAMINA: Can I get some water.
25

2 CHAIRPERSON CORNEGY: Yeah, absolutely.

3 [pause]

4 CARMEN QUAMINA: The pain. [background
5 comments/pause]

6 CHAIRPERSON CORNEGY: Is anybody from HPD
7 still here? [crowd noise/pause] Sergeant-at-arms,
8 I'm asking for just a five-minute recess. [crowd
9 noise/background comments] This hearing is in a
10 five-minute recess. We will be resuming in five
11 minutes. [background comments/crowd noise/pause]

12 CHAIRPERSON TORRES: Okay. Ladies and
13 gentlemen, we're going to resume the hearing.

14 [gavel]

15 SERGEANT-AT-ARMS: Quiet, please. [crowd
16 noise]

17 CHAIRPERSON TORRES: Anyone—anyone who
18 disrupts the proceedings will be asked to leave.

19 CHAIRPERSON CORNEGY: [shushing for
20 quiet]

21 CHAIRPERSON TORRES: We're going to
22 resume the hearing.

23 SERGEANT-AT-ARMS: All please rise,
24 please. We're going to start up the hearing. [crowd
25 noise]

2 CHAIRPERSON CORNEGY: My colleague has
3 made a request for HPD to return. They will be
4 returning, but I'd like to be able to hear everyone's
5 voice, so I'm going to ask you for indulgence. I
6 know everyone is incredibly upset and passionate, but
7 we are not going to hear from your voices. Please do
8 not interrupt each other. It is very important that
9 we as a Council get to put names and faces to this
10 travesty that's happening through Third Party
11 Transfer. So, if you could please indulge the rest
12 of the testimonies and the rest of the hearing, we
13 are here until we've heard everyone's voices.

14 CHAIRPERSON TORRES: I'm sure you had
15 some. (sic) [background comments/pause] Let me—let me
16 conduct the hearing without interruption, okay.
17 Ma'am, do you want to--? [gavel] Do you want to--

18 SERGEANT-AT-ARMS: [interposing] Quiet,
19 please.

20 CHAIRPERSON TORRES: --ma'am do you want
21 to finish your testimony?

22 CARMEN QUAMINA: I'm here. My name is
23 Carmen Quamina, C-A-R-M-E-N Q-U-A-M-I-N-A.
24 Presently, I'm living in an apartment at 256 Herzl,
25 Street, Brooklyn, New York 11212 Apartment 1. I don't

1 know how long I will be there, and I couldn't take it
2 today, but I'm apologizing. I'm not this kind of
3 person. I have there that the landlord give me.
4 Then I will be evicted for the sixth or seventh time.
5 Since I owned my property at 580 East 84th Street,
6 Brooklyn, New York 11236, and as I'm speaking here, I
7 own a deed in my hand, but several other people own
8 deeds to that same property. I hire two attorneys to
9 help me with the confusion that went on in the
10 courts, and instead of them investigate the case-
11 case, get from their office or the documents that I
12 have, a big box of documents like this. I report it
13 to the DA's Office because they say well, I went to
14 school and I took a little law, and I know a little a
15 law when people when people were going the wrong way,
16 and I know about driving. When you're going up the
17 highway, you get more accidents, but you drive on the
18 softest lane it is better, and I drove on the softest
19 lane finding out why these people coming after my
20 house. My mother taken and died. I have to fly to
21 Guiana and bury her. My only hope was my husband who
22 I married for 55 years that I just lost through the
23 same kind of problem. He was choked to death in
24 Brookdale Hospital by a nurse coming and give him a
25

1 cup of pills without no water. If my husband had a
2 cup of water like this he would have been in my bed
3 to massage me every night. He died right in front of
4 me. So, the tragedy of my house stolen from me when
5 I'm going to bury my mother, the two lawyers called
6 me back and say, you know what, Ms. Quamina, a
7 predator is going after your property. I said who is
8 that? He--his name is Jeffrey Myers. Like I don't
9 know that man. He said he went to your house and
10 tell the tenants don't pay no rent. She is not the
11 owner. I am. Not knowing he looked up in the
12 computer those days in the '80s and so on. They were
13 looking at computer, and I heard this young lady
14 talking, but she don't understand how predators work.
15 I learned how the predators work. While you are
16 sleeping they are going through the neighborhoods and
17 going in the computers, and looking for the homes
18 that they we see there, and then they come after you
19 and predator you. And I say nobody can take my
20 house. I pay my last mortgage. I owe nothing. My
21 taxes. I got the city to send the water bill. I am
22 on top? Why? I'm a pastor. I'm an evangelist--

24 CHAIRPERSON TORRES: [interposing] Ma'am.

2 CARMEN QUAMINA: I traveled all over--

3 CHAIRPERSON TORRES: [interposing] Ma'am.

4 CARMEN QUAMINA: --and I have no problems.

5 CHAIRPERSON TORRES: [interposing] Ma'am.

6 CARMEN QUAMINA: Nobody going to take my
7 house from me. I know. They said, no, you have to
8 leave you mother, bury her. The next day you come
9 back your house is going to be gone. I have to fly
10 to back from Guiana quickly and the way how I was
11 losing the house I had to take my a little and say
12 and put bankruptcy to hold the private law if I did.
13 Not knowing I had a case with a very good lawyer who
14 was taking up rents. She said we have to try this
15 before--

16 CHAIRPERSON TORRES: Ma'am, ma'am, can
17 you--?

18 CARMEN QUAMINA: --and I took--

19 CHAIRPERSON TORRES: Ma'am

20 CARMEN QUAMINA: -two lawyers, and I
21 asked the two lawyers please come in and look.

22 CHAIRPERSON TORRES: Ma'am, we have 40
23 people who need to testify.

24 CARMEN QUAMINA: Yeah, I'm not going to be
25 longer. I'd say I actually--

2 CHAIRPERSON TORRES: [interposing] If-if
3 you can conclude.

4 CARMEN QUAMINA:--if I take ten-ten
5 minutes it's long because I already say half of the
6 story, and I tell you now how the house gets from me.
7 Now, the house now I come and file the bankruptcy.
8 They say, but lady, why do you file bankruptcy? Send
9 it to your lawyer. I said no, I'm stopping them from
10 doing what they're doing while my lawyer is working
11 not knowing that the lawyers I hire was helping the
12 predators to get my house. [audience comments]
13 Angelina Johnson, which you all read in the papers
14 form the Queens District, and remember two big time
15 lawyers get up in the courthouse and concocted this
16 malicious thing, but it's good thing I have all my
17 documents, and I make sure that I put all my
18 documents in the DA's office with Mr. Richard
19 Ferris(sic) All of them know my story. Where is Mr.
20 Ferris? [audience comments] He did not come to help
21 me. I had to be fighting, and now the two lawyers
22 have got to be fighting, and now I've got to fight
23 the predator, and now I was given no time, and I was
24 evicted. I can't fight no more because the two
25 lawyers who are supposed to represent me is the tease

2 and they are concocting with the judges, with the
3 judge. When I do investigating the case, the judge
4 said no you can't take this house from this woman.

5 CHAIRPERSON TORRES: Ma'am, ma'am.

6 CARMEN QUAMINA: I have the documents
7 here.

8 CHAIRPERSON TORRES: Ma'am, I-I will ask
9 that you---

10 CARMEN QUAMINA: I am not going to go with
11 this house. I am going to put this house on a--

12 CHAIRPERSON TORRES: [interposing] Ma'am,
13 I-I--

14 CARMEN QUAMINA:--I am going to put this
15 house--this lady--

16 CHAIRPERSON TORRES: Ma'am-

17 CARMEN QUAMINA:--it's her house and I'll
18 give the keys, and you two lawyers--

19 CHAIRPERSON TORRES: [interposing] Ma'am,
20 you have to--

21 CARMEN QUAMINA:--she--

22 CHAIRPERSON TORRES:

23 CARMEN QUAMINA:--

24 CHAIRPERSON TORRES: --you have to
25 conclude.

2 CARMEN QUAMINA:--I will give you and give
3 to them--

4 CHAIRPERSON TORRES: Ma'am, you have to
5 conclude.

6 CARMEN QUAMINA:--I am finishing it. I
7 give you this case of this lady's house.

8 CHAIRPERSON TORRES: Okay.

9 CARMEN QUAMINA: She has won the case.
10 You cannot prove that it's your own house. Mr.
11 Jeffrey buy. You two attorneys she's paying you so
12 much an hour. You haven't done your job. She's
13 crying in the house there. I closed the case, and
14 give the--the two attorneys with \$240 something
15 thousand dollars advance of those.

16 CHAIRPERSON TORRES: Ma'am--ma'am you have
17 to conclude.

18 CARMEN QUAMINA: They're gone with the
19 \$240 something thousand. I lost the house and all my
20 40 chairs, and she make--the attorney she has all my
21 corner chairs.

22 CHAIRPERSON TORRES: Finish it up.

23 CARMEN QUAMINA: The downhill, the
24 downhill I'm paying the house with the furniture. I
25

2 don't know, all the furniture in the house is gone.

3 The--the two large I just mentioned--

4 CHAIRPERSON TORRES: [interposing] Ma'am
5 we have 40 people--

6 CARMEN QUAMINA:--[interposing] Let me
7 finish it all.

8 CHAIRPERSON TORRES: Ma'am, we have 40
9 people who need to testify.

10 CARMEN QUAMINA: I said that if I stay
11 longer than five minutes and tell you this is the end
12 of my story. They're gone with the \$245,000.

13 CHAIRPERSON TORRES: I heard that five
14 minutes ago.

15 CARMEN QUAMINA: They're gone with my down
16 here thing, they're gone with my [background
17 comments] Let me mention the things that I lost.
18 So, I'll be able to go and get them. They're gone
19 with my house, they're gone with my money, and
20 they're gone and I cannot get my house, and now my
21 house is selling for \$900 and something thousand.
22 [off mic] So, it is today that there--this stuff was
23 taken from the house, from my house is something
24 stolen.

2 CHAIRPERSON TORRES: Ma'am, we're—ma'am—
3 ma'am, we have to end your testimony. So, thank you
4 for your testimony. [background comments] Thank you
5 for your testimony. Let's—let's call up the new
6 panel please. I'm sending my Chief of Staff. She's
7 going to sit with you.

8 CARMEN QUAMINA: [off mic] They took
9 \$10,000. [background comments]

10 CHAIRPERSON CORNEGY: So this—this marks
11 what I mentioned earlier, which there are three
12 things that are happening in minority communities
13 simultaneously. There's the Third Party Transfer
14 Program, which we're here to try dismantle. There is
15 deed theft and defraud, which clearly there's an
16 example by her testimony of that today, and then
17 there's the Line Sale List, all of which are dis-
18 displacing black and brown families and stripping
19 those families of their opportunity to build wealth.
20 So, I want to thank you for your testimony. As the
21 Chair of Housing and Buildings going forward we will
22 be looking at hearings that directly address deed
23 theft and defraud. Today, however, it's centered
24 around the Third Party Transfer Program. So, I feel—
25 I feel her pain, and I didn't want to rush her, but

2 she has an issue that may not be Third Party
3 Transfer. I think it's more deed theft and defraud,
4 and my staff is going to work with her while we
5 continue this hearing. So, thank you so much for
6 your testimony. [applause] I'd like to call the—I'd
7 like to call the next panel, Anthony Drummond, Mr.
8 Dorsey, Stephanie Sosa, and Jason Wu. I'm sorry, and
9 Carolyn Meggie—Maggie. Sorry. Now, in the interest
10 of time, I'm going to ask everyone if you have long
11 statements, please try to make the concise,
12 consolidate them. We understand that there is a
13 theory and theme around what's transpiring here
14 today. I believe that someone from the
15 Administration has remained to hear from you, but I
16 have to ask that because there are so many people who
17 are here who want to testify, that we want to hear
18 their voices if you could all be clear and concise,
19 and if you hear someone echoing sentiments that are
20 of your testimony, use those, please. [background
21 comments/pause] So, I ask that, um, before you begin
22 your testimony just identify yourself for the record.
23 You're going to push the button that's in front you.
24 When you see the light is illuminated in red that
25 allows you to be heard by the entire Chamber.

1
2 YOLA NICHOLSON: Good afternoon. My
3 name is Yola Nicholson. I'm joined, um, on Behalf of
4 Mr. Dorsey by my colleagues on the litigation Matt
5 Berman of Valli, Kane and Vagnini, and Roy Dixon or
6 Ropes and Gray. We are here with Mr. Dorsey who not
7 only has been referenced a number of times, and has
8 suffered in this matter, but is also the lead
9 plaintiff in the action that has been referred to in
10 the prior testimony and presentations. [background
11 comments]

12 NICOLA DORSEY: Good afternoon. My name
13 is Nicola Dorsey. I own the building at 373 Rockaway
14 Parkway, and I want to—I really didn't know about
15 HPD, and, um, TPT. I went to pay my tax and then they
16 say I have to get a letter from HPD. So, [bell] I—I
17 say, Why? They say, you have to go to 100 Gold
18 Street to get the HPD—the letter from HPD to bring to
19 the Finance Department to get—to pay the money, to
20 pay the \$10,000. I say okay. So, I went there. So,
21 when I get there, the secretary call the 9th Floor
22 Ms. Lauren Fisher. She's a supervisor on the 9th
23 Floor, and then when she come down she take me
24 upstairs and she say you got to bring the deed, a
25 copy of your license, and the copy if you get the

1 \$10,000 to pay—to pay the HPD. I said, fine. So she
2 said you could come back to bring those three notes:
3 The license, the copy of, you know, the deed of the-
4 the house and—and the copy from the bank I get the
5 \$10,000 to pay. I said fine. So, the next day I
6 bring—I bring the deed, the copy of [bell] of the,
7 um, the said bank. I get the money plus the—the deed
8 of the house. She say okay they will call me. I say
9 fine. So, she come back the next week. The next
10 week coming back to HPD I went to Gold Street, you
11 say, you're not ready. Well, I asked her when I have
12 to come back? She say come back by the end of the
13 wee by Friday. Friday I get there she say you're
14 ready yet. I said I don't understand why. It's been
15 two weeks. You have to give me an order to bring to
16 the bank to pay my money and then she say you will
17 receive a letter. After one week, I received a
18 letter say they then transferred the deed to the TPT
19 program. They transferred my name.

21 YOLA NICHOLSON: So, what Mr.—I just
22 want—what Mr. Dorsey, it has been a very emotional
23 time for him, and I just want to put a little
24 perspective on it if you would indulge us for a
25 second. Mr. Dorsey the story that he's accounting

1 and it's been very stressful on him, this process
2 began in 2018 in the summer when he went to pay his
3 tax bill. He is a Haitian immigrant. He took pride
4 in owning his building and, you know, bought it at
5 cash. Had a small mortgage on it for different
6 reasons. Over time paid that off, and it was—if—if he
7 —when he tells you the stories, there's always a
8 sense of pride. He goes out and pays his bills.
9 When he went down in June or July to pay his bill, he
10 was—he was—he was given the run-around, and this is
11 the account that he gave—he gives, but what's
12 interesting is that run-around went on over a course
13 of about two months without HPD or DOF or anyone at
14 the city saying to him that his deed was previously
15 seized in 2017 in that Round of 62 that the HPD
16 Commissioner seems to feel comfortable about
17 describing, and, um, seized, unlike what she told
18 you, on an argument and a presentation that his and
19 the other properties were not viable. So, this is
20 another basis that they haven't told you. Their
21 affidavit in court said their properties were not
22 viable for, um, continuing in the ownership of the
23 previous owner. He had—it is still whether his
24 property as a method definition of distressed as—as
25

1 best you've asked. He's—it's unclear on what charges
2 he owed to the city. He was currently in an
3 installment plan, and curiously his property value on
4 Rockaway Avenue in the Councilwoman's district,
5 which is—everyone knows Rockaway right? Up from a—
6 from Brookdale is—was valued by DOF at \$134,000 when
7 they began the process in 2015. We are the attorneys
8 who brought the class action. So, we don't intend to
9 litigate it here or contradict HPD, but it's just
10 very curious, though of some of the rationale that's
11 presented, and the fact that they keep saying, too,
12 that the law says a lot of things that we as lawyers
13 have not found the law to say. Thank you.

14
15 CHAIRPERSON CORNEGY: Thank you.

16 [background comments]

17 YOLA NICHOLSON: I don't know if you have
18 any questions, but I think he's good.

19 CHAIRPERSON CORNEGY: At the end.

20 NICOLA DORSEY: I built the business, you
21 know.

22 JASON WU: Good afternoon. Thank you for
23 the opportunity to provide testimony today. My name
24 is Jason Wu and I'm a Staff Attorney with the Legal
25 Aid Society. I echo the sentiments and concerns that

1 have been expressed earlier today. The testimony
2 I've submitted provides a slightly different
3 perspective regarding the benefits of the Third
4 Party Transfer Program specifically the opportunity
5 to provide affordable homeownership opportunities for
6 low-income New Yorkers. At the Legal Aid Society
7 part of the—part of our practice includes housing
8 and—and part of that means that we represent tenant
9 associations that are in TPT buildings converting to
10 low-income—low-income cooperatives, and since TPT's
11 inception in 1996 we have successfully assisted in
12 the conversion of numerous building to HDFC
13 cooperatives, and we believe that the TPT Cooperative
14 Conversion Pipeline is an important tool to provide
15 homeownership opportunities in low-income communities
16 of color. That said, the TPT program has significant
17 challenges for its Cooperative Conversion Housing
18 Pipeline, and in our written testimony we outlined
19 three broad categories. One is the delay and
20 mismanagement in the cooperative conversion process,
21 and there needs to be more accountability and better
22 communication of HPD and the developers with the
23 tenants. Two, inadequate training and resources
24 including language access issues. Three, permanent
25

2 affordability for low-income New Yorkers for the rent
3 service structure after rehabilitation of the
4 buildings and their long-term affordability
5 challenges with that—with that, and I'll conclude by
6 saying thank you for the opportunity to testify, and
7 we look forward to working with the City Council.

8 CHAIRPERSON TORRES: Thank you.

9 CHAIRPERSON CORNEGY: I'm sorry, but I
10 would-[background comments]

11 ANTHONY DRUMMOND: Good afternoon. My
12 name is Anthony Drummond. I am representing Brooklyn
13 Borough President Erica Adams' office and
14 unfortunately he could not make in to it this
15 afternoon. So, I will be reading a prepared
16 statement on behalf of the Borough President, and
17 make sure to make it as brief as possible in the
18 interest of time well as is the case. Good morning.
19 My name is Eric L. Adams, and I am the Brooklyn
20 Borough—I am Brooklyn Borough's President
21 representative of more than 2.6 million residents who
22 call the borough home. I would like to thank City
23 Council Member Robert Cornegy, Chair of the City
24 Council Committee on Housing and Building and Council
25 Member Ritchie Torres, Chair of the City Council

2 Committee Oversight and Investigations for convening
3 this hearing on the New York City Department of
4 Housing, Preservation and Development Third Party
5 Transfer Program, a topic that Brooklynites know all
6 too well. The issue around the TPT Program is all too
7 well in Brooklyn especially in the Central Brooklyn
8 neighborhoods of Bedford-Stuyvesant and Crown
9 Heights. As a property owner, I know first hand of
10 the struggles of maintaining your home and paying the
11 taxes that come along with it. This program has
12 predominantly affected our seniors who bought their
13 property at a time when the neighborhoods they lived
14 in were not sought after. Today the strain of
15 gentrification is impacting neighborhoods across New
16 York City. In Brooklyn neighborhoods homeownership
17 means a family can build equity while also
18 benefitting from stable housing costs in a city that
19 continues to see rapidly rising rents. According to
20 the Center or NYC Neighborhood Study, Brooklyn has
21 long been a borough where a working class family can
22 buy and own a home. Today, 29% of Brooklyn
23 households are homeowners and of them just have, 53%,
24 earn a low to moderate income, 15% are middle-income
25 and while 28% are high income. This trend is showing

2 that the number of high income Brooklyn homeowners
3 increased from 23% to 28% over the past decade while
4 a proportion of low, moderate and middle income
5 homeowners decreased.

6 CHAIRPERSON TORRES: So, I love the
7 Brooklyn Borough President, but in the interest of
8 time would you—would you conclude?

9 ANTHONY DRUMMOND: I got you.
10 Unfortunately the TPT Program may be playing a role
11 defrauding homeowners of their properties. Residents
12 continue to inform our office that their homes were
13 never supposed to be part of the foreclosure list and
14 that they have been foreclosed upon despite repaying
15 their delinquent in good standing and that several
16 homes have actually been returned to homeowners
17 because they were wrongly seized. Based on these
18 complaints that continue to come to my office and the
19 larger crisis of deed fraud that we are witnesses, I
20 again renew my call for a forensic audit of the TPT
21 program, and an investigation on the Federal, State
22 and City level into this issue. The proposed
23 formation of the task force within the TPT program is
24 long overdue given the cloud of obscurity around the
25 city seizures of property but it must be accompanied

2 by real oversight by the City Council. In addition,
3 I am in full support of Public Advocate Jumaane
4 Williams' legislation calling for a two-year
5 moratorium on the TPT Program. No one should be
6 losing their home while they task force is doing its
7 job, and finally and I'll just conclude here.

8 Finally we must do more to ensure that bad actors in
9 government programs are not forcing low-income
10 residents and seniors out of their homes in the face
11 of a demographically and economically changing
12 borough. These tactics are embedded in our local
13 policies. They must be reviewed and changed. More
14 importantly we must do what we can to ensure that we
15 do not force our families who are paying their taxes
16 and invested in our communities out of their
17 properties because of—because of government policy.

18 I want to thank the committee and its members for
19 hosting this hearing and allowing me to address you
20 on this very important issue. Thank you for your
21 time.

22 CHAIRPERSON TORRES: Thank you.

23 [applause] We look forward to working with the
24 Borough President as well.

2 CAROLINE NAGY: Hi, good afternoon. My
3 name is Caroline Nagy, and I'm the Deputy Director
4 for Policy and Research at the Center for New York
5 City Neighborhoods. Thank you Chair Cornegy and
6 Torres and the rest of our members and staff for
7 holding this hearing. The Center for New York City
8 Neighborhoods works to promote and protect affordable
9 homeownership in New York so that middle and working
10 class families are able to live in strong, thriving
11 communities. I'm going to skip our written
12 testimony, and just make a couple of points. The
13 first is the conversations today, the issues around
14 TPT tax delinquency, tax foreclosures and deed thefts
15 are all part of a much bigger picture of broadening
16 economic inequality in New York City and the racial
17 lost gap on homeownership that has only gotten worse
18 in the last decade since the Great Recession, and it
19 does not appear to have signs appear to be improving.
20 We've had, um, the lowest income homeowners in New
21 Yorker and have seen their real incomes decrease over
22 the last decade while property values and—and
23 therefore, property taxes have been increasing, you
24 know, regularly every year. So, of course there are
25 homeowners who are struggling to afford their taxes,

1 and I think I want to make a point about outreach.
2
3 You know, what Mr. Saunders said earlier today, of
4 course, you know, thinking about all of the junk and
5 solicitations that the homeowners that we work with
6 get, you know, we've asked homeowners to collect what
7 they get on a weekly basis. It's like a, it's, you
8 know, mountains of paperwork and solicitations of
9 scams. Of course, they're not going to be able to,
10 you know, really what's going to be 70 touches from
11 the TPT Program or anything else, and this is really
12 where I think trusted institutions and non-profit
13 community-based organizations can play a role in
14 doing a person-to-person outreach trying to talk to
15 humans and then using, you know, community
16 institutions to really reach people, and so that's,
17 you know, when it comes to DCAS, TPT or a tax lien
18 foreclosure, it's all about—I think there's a lot
19 more education and out reach that can be done, and
20 that's something that we look forward to partnering
21 with you with.

22 CHAIRPERSON TORRES: Thank you. Thank
23 you for your testimony. Oh, there is someone. Okay.
24 She's snuggled in so--

2 STEPHANIE SOSA: Good afternoon. Thank
3 you Chair Cornegy, and Torres [coughs] and members of
4 the Committee. My name is Stephanie Sosa, and I am
5 the Senior Associate for Housing Development Policy
6 at the Association for Neighborhood and Housing
7 Development, also know as ANHD. ANHD mission is to
8 advance equitable flourishing neighborhoods for all
9 New Yorkers as a coalition of 100 community-base
10 affordable housing and equitable economic development
11 organizations in New York City. We work at the
12 intersection of organizing, policy advocacy, and
13 capacity building. Our extensive network of mission
14 driven non-profit developers hare built over 130,000
15 units of affordable housing and currently manage over
16 30,000 units across the five boroughs. ANHD supports
17 the Third Party Transfer Program, which has allowed
18 qualified developers many who are ANHD members to
19 preserve hundreds of buildings, which were once in
20 physical and financial disrepair. The TPT Program
21 does this by ridding them of tax liens violations and
22 unlivable conditions, and I'm going to skip
23 everything that I wrote, but I-I also want to mention
24 that we are facing a housing crisis, and homeowners
25 are definitely being impacted. Renters are being

1 impacted, and policies that were created in the '90s
2 or even the early 2000s don't always match up with
3 the issues that we are facing now particularly around
4 speculation, which are increasing property taxes our-
5 and then we think about HDFCs. We have to think
6 about the cost of living. We have to think about,
7 um, income to expense ratios, and how those differs-
8 differ and also how buildings are depreciating, and
9 so, we do have to think about, um, how we're going to
10 create policies in order to help homeowners, but also
11 not completely put the blame on a program that has
12 helped so many people rent homes and live in a
13 better-in better conditions. So, I do support the
14 program, but I also hope that City Council can work
15 with HPD and a committee to help improve the program.

17 CHAIRPERSON CORNEGY: So, thank you. I
18 just had a question for Mr. WU. Does Legal Aid have a
19 particular separate division that's dealing directly
20 with families who find themselves in Third Party
21 Transfer?

22 JASON WU: If there are buildings that
23 are-that are HDFC cooperatives that are impacted,
24 they can come to us at our Buildings Practice and Our
25 Community Development Project. We'll work with

2 Buildings to help them negotiate with the documents
3 and provide potentially other legal representation.
4 That is something we could do.

5 CHAIRPERSON CORNEGY: Thank you, and um,
6 I—I want to echo kind of Ms. Sosa's sentiments. Um,
7 the program—I support the program in its intent.
8 The—the way that it's been used has been incredibly
9 detrimental. So, the—the working group is going to
10 be essential, but the working group and the outcomes
11 will be reformed because I'm—I'm not signing onto a
12 working group that doesn't have a focus on reform,
13 right. So, I'm willing not to abandon the program,
14 but there has to be—there have to be reforms in a
15 timely fashion, and there has to be some
16 retrospective as well as to what's transpired for
17 homeowners in the past. So, I—I didn't state that,
18 but my colleague did from the onset of the hearing,
19 and I think it's important to hear on the record that
20 that's my stance.

21 CHAIRPERSON TORRES: I just want to make
22 that clear. If there is a slumlord who's abandoning
23 his property, or chronically mismanaging his
24 property, and it's saddled with debt and disrepair, I
25 think every member of the City Council would agree

2 that's perfect candidate for TPT. Our issue is when
3 the program is applied to properties that have no
4 significant debt and no significant disrepairs. So,
5 I just want to be clear about that distinction.

6 CHAIRPERSON CORNEGY: Well, thank you for
7 your testimony. I'm going to call the next panel.

8 [pause] I—I want to point—point out that my
9 colleague Inez Barron was in the queue to, um,
10 provide questions to the Administration who
11 unfortunately has left, but I'd like to have her ask
12 her questions on—on the record. So, we're going to
13 do that now.

14 COUNCIL MEMBER BARRON: Thank you to the
15 Chairs. I'm very disappointed that the
16 Administration panel did not remain, and it's
17 disrespectful. Perhaps they don't know the protocols
18 because she's new. What someone should have told her
19 that you wait to be excused before you leave, and
20 when I meet with her, I will impress that upon her.
21 I just want to get these comments on the record, and
22 submit these points to the Administration so they can
23 respond to them. First, I do want to say that there
24 were properties in my community that were on the
25 list, and there was one property that's an HDFC with

1 some shareholders and with some renters, and we were
2 able to work with Legal Aid. They provided a lawyer
3 who's working specifically with that HFC. I was able
4 to apply for an Article XI, and they have been
5 granted an Article XI, and so now they're working on
6 all the other pieces that go with making sure they
7 get off the list. So, they're trying to get a loan
8 so that they do the repairs, and—and all of the
9 necessary requirements, but my question to the
10 Administration is: If, in fact, they changed the
11 policy that allowed HDFCs to release their deed for a
12 period of time, and then regain those deeds. I've
13 been told the policy change. I want to see it in
14 writing, and I want to know when it changed. So,
15 that's a question for—for the Administration to
16 answer and in terms of what is the requirement for
17 HDFCs to be able to receive appropriate training so
18 that they understand what's involved in managing a
19 building or get a management company, and what is the
20 responsibility of the management corporation to the
21 HDFCs because there is one in particular that has not
22 fulfilled the responsibility of reporting to the HDFC
23 in a timely fashion, and giving them access to the
24 records for their finances. So the Administration I
25

1 think has an obligation to help these HDFCs and in
2 particular maintain their properties, and just to
3 briefly talk about distressed properties. How is it
4 that the Administration can decide that since they're
5 doing a redevelopment on an empty lot that they now
6 want to declare the adjoining building on McDonald
7 Street a distressed property when, in fact, it was
8 not. So, how do they abuse that right, and pull in
9 non-distressed properties to try to have people lose
10 that ownership, and finally, as I said, there were
11 three properties in my district that were in the TPT,
12 one of which was a privately three-family home, and
13 we went, we did take the opportunity to go to all of
14 the properties on the list, and talk to the tenants
15 and talk to the HDFCs or the homeowner, and ascertain
16 form the what had been their interactions with the
17 Administration with the city. In this privately
18 owned home the woman said that she had had an
19 agreement, she had had a lawyer, but it sort of fell
20 off the track and no one--no one had contacted her.
21 So, the claims of reaching out without having any
22 documentation to support what you say you did are
23 very questionable. So, my question, my final quest
24 to the Administration is: If, in fact, none of these
25

1 TPTs are approved by the Council Member for that
2 district, what does that mean for the TPT? Because
3 I'm concerned that if they're not in the program, we
4 don't then have an ability to interact with them, but
5 they might just go to the go to the general lien
6 sale. So, that's my question. If, in fact, Council
7 Members decide no, I'm not approving it, as I did
8 with properties on my list in my district. So, if
9 all Council Members decided on that, what would be
10 the saddest for the TPTs going forward, and why can't
11 they go back? Why can't we look at community land
12 trust type arrangement so that those other properties
13 where there are renters would be able to invest and
14 own their property. Thank you, Mr. Chair.

16 CHAIRPERSON CORNEGY: Thank you and while
17 those questions were asked on the record, if you
18 could provide for me, I will definitely get that for
19 you, a direct answer. Thank you. So, I'm going to
20 call the next panel starting with Louise Clark, Scott
21 Lavert or Leverel (sp?) I'm sorry. Blanca Vasquez,
22 Dr. Raphael Kay Works, Beverly Curry and Gloria Ann
23 Kerstein. [background comments] Again, I know that
24 this an opportunity and you've waited all patiently
25 to be able to voice your opinions and/or testimonies

1 on the record. I ask in the instance that you can be
2 clear and concise and consolidate, I would greatly
3 appreciate it. We still have nine panels to go, and
4 everyone's voice is incredibly important. I want to
5 hearing everyone's voice even though we're getting a
6 little long in the tooth as the evening goes on. I
7 ask that you will state your name for the record
8 before your testimony, and you can begin at whatever
9 end you like. I'm—I'm partial to women first, but
10 that's me.
11

12 BLANCA VASQUEZ: Vasquez—Blanca Vasquez.
13 I'm with the HDFC Coalition the Anti-Foreclosure
14 Committee. We've been working on helping buildings
15 save themselves for two years now at least. Let me
16 go right into the testimony. The past informs the
17 present. I am really sorry she's left because I'm
18 going to make reference to what the Commissioner
19 Deborah Wright said in 1996 when this law was
20 introduced to the City Council because she's
21 rewriting history. She said, Deborah Wright, the key
22 to addressing housing needs in the city were the new
23 features of this proposed law. A critical part of
24 the answer, "Was identifying troubled buildings at an
25 earlier stage where intervention was likely to be

1 successful, and having the flexible tools necessary
2 to prevent abandonment to the largest extent as
3 possible. Rather than allowing arrears to build up
4 make early interventions when debt was manageable.
5 That's a no-brainer. So, (1) an early warning system
6 was supposed to be a part of this program. (2) She
7 said, HPD will work closely with DOF to identify
8 properties that can benefit from a package assistance
9 more likely to lead to stabilization than past
10 foreclosures. This assistance may take the form of
11 low-interest loans, technical assistance and mortgage
12 debt restructuring. Finally, she recommended that
13 the provision for installment payments provide
14 reasonable opportunity for owners to pay arrears and
15 retain ownership. She noted that the current system
16 was set up to fail, and that three or four such
17 agreements ended in default. The new law was
18 supposed to prevent default by early intervention,
19 lower interest rates and payment plan, which is now
20 happening now for example with water because, as you
21 know, even with Article XI applications, we've would
22 helped a number of buildings to file, right. Water
23 penalties still continue to be onerous, right, and
24 they don't cut deals. We contend that the process
25

1 that's being used now—I'm sorry—we contend that the
2 process of first preventing foreclosures envisioned
3 in her intro for property owners is even more crucial
4 for HDFCs whose owners, as you know, have invested
5 decades of sweat in real equity and are primarily
6 people of color and now senior citizens. I'm one of
7 those people. I moved into a building in 1979, right
8 and we organized it, um, and we're now all senior
9 citizens.
10

11 CHAIRPERSON TORRES: If—if you could sum
12 it up.

13 BLANCA VASQUEZ: We have equity. We're
14 not in trouble, but we're fighting for the buildings
15 that got into trouble. [coughs]

16 CHAIRPERSON TORRES: if you can sum it
17 up?

18 BLANCA VASQUEZ: Okay, whatever—(1)
19 moratorium. We support the idea of a moratorium on
20 foreclosures, and for real assistance as envisioned
21 in the original legislation that's been put into
22 place. (2) Shareholders have to be a part of that
23 process. We actually know these issues deeper than
24 any body I think that works at HPD. It's in the
25 power of the City Council to do it, and I just want

2 to end with urging you to use that power to save our
3 homes.

4 CHAIRPERSON TORRES: Thank you. The next
5 person.

6 LOUISE CLARK: My name is Louise Clark,
7 I'm the-

8 CHAIRPERSON TORRES: If you can speak
9 into the microphone.

10 LOUISE CLARK: Oh, okay. I want to thank
11 you. I want to thank you for having us, Torres and
12 Cornegy. For one thing I agree with everything you
13 guys, as you did your homework as far as the TPT, as
14 far as the HDFCs as far as the shareholder and I
15 agree 100%. So, I'm not going to—I'm just going to
16 piggyback on that. But for one thing, I'd like to
17 say that as I'm not in the TPT, I haven't been
18 affected by the TPTT, but I am before. I am an a
19 Buildings manager (sic) in Brooklyn. I can honestly
20 say that in my neighborhood that a billionaire has
21 bought four building on Clifton Place in Brooklyn
22 that has management, and I know that he is a
23 billionaire because my S&J where I get the oil from
24 the owner came out and says why are you out here? HE
25 said, oh, I just came to congratulate you. You

1 should be very happy that you go the billionaire over
2 here. Meanwhile, this billionaire has the management
3 corporation that managing it, and he is from , um,
4 Germany, and he bought four buildings, but what I
5 want to say is—is that in the HDFC as being in the
6 HDFC since 1996, the main things that we need is
7 resources. Having the same resources that they offer
8 the TPT developers and the investors. There are low
9 interest loans, the resources, we need those
10 resources, and we need a legal system that works.
11 One of the reasons why the buildings are in distress
12 that I have right now, is having—we had a fire, and
13 in the fire that person was a drug dealers. They
14 sold drugs. They had male prostitution going on in
15 there. We have joined FCAP Program. They never came
16 out to inspect the building. We did all these
17 things. Now, the city is putting or had to go to
18 court on the 26th , they put down a special—what is
19 it? A special, um, to put a lien to make you do the
20 building. You guys are welcome to come. The
21 building is not falling apart, and the apartment that
22 they have that they're trying to get back in, and
23 they want a special unit to fix it or they're going
24 to put a lien on the building where we already got
25

2 out the taxes, made an agreement with the--with the
3 water. Now, we're going to end up with liens from--
4 from lack of repairs. All these things that to me is
5 like HPD is working to get this property that we
6 have. No matter what I do to try to get out, we
7 can't get out. I can't sell because--[bell]

8 CHAIRPERSON TORRES: If you just
9 conclude.

10 LOUISE CLARK: --because, you know, but
11 we need our help in resources. The only resources is
12 they should provide us when they call in 3-1-1, for
13 the HDFC co-op, they should have a special unit, a
14 special legal unit especially legal unit especially
15 court in the system that deals with HDFC that would
16 understand the HDFCs and how they work to make the
17 responsible shareholders to be responsible and know
18 the rights of tenants and think that that makes the
19 best. It's basically what I have to say, and also
20 Asa, I'd like to say that having only ownership for
21 low-income does work. I am a mother of four I
22 raised, and thank goodness for ownership and being in
23 the HFCs and being an opportunity to have because
24 without that, I don't know where I would have been
25 and all four of my children are doing great. Four--

1 that's -I have-the oldest one has a double masters
2 and works for the federal government. The other one
3 works for Perkins Eastman, which is an architect firm
4 the other one works in the Middle-East and my
5 grandson is now serving. He was just deployed to
6 Syria. So, I can say the low-income having these
7 homes for parents and I'm a single parent like I said
8 before that raised four children with no child
9 support, and all of my children being able to have a
10 decent home where they wouldn't have to worry about
11 being put out tomorrow and having a parent that can
12 afford that and was able to go to college, get some
13 tax and Pell and not only a scholarship to be able to
14 successful black children, and they are children that
15 are coming back that won't even have a place to stay.
16 The neighbor next door her child came from Morehouse.
17 Told him to go to school, graduate. You come back
18 you have a home. He can't even have a home when he
19 comes back he has to stay with his mother because he
20 can't afford it. On our block--

21
22 CHAIRPERSON TORRES: Ma'am that-that--

23 LOUISE CLARK: --there are to beds--there
24 are two bedrooms, \$4,500.

25

2 CHAIRPERSON TORRES: Ma'am, I need you to
3 conclude. Amazing stories and--and thank your son for
4 his service.

5 LOUISE CLARK: Grandson.

6 CHAIRPERSON TORRES: Oh, Grandson. I see,
7 except how young you look so--

8 LOUISE CLARK: Yeah, I'm 61 years old. I
9 was born in my--

10 CHAIRPERSON TORRES: [interposing] God
11 bless you. Next.

12 RAPHAEL K. WORKS: Good afternoon. My
13 name is Dr. Raphael K. Works. I'm the Chairman, CEO
14 and Founder of the Veterans Assoc--the Veterans
15 Development Initiatives, and I'd like to thank the
16 Council Chairman Cornegy, Chairman Torres, and the
17 rest of the Council Members for allowing me to
18 testify today. I'll try to be as brief as I possibly
19 can at this juncture. As a resident and a business
20 owner, my family and/or--has resided in Building 522
21 West 158th Street for more than 89 years since 1930.
22 I for more than 50 years. I've always sought to have
23 this building renovated and eventually passed over to
24 tenants as in HDFC owners and in a brand new
25 facility. These dreams apparently are fading from

1 existence due to the Complicitous manner in which HPD
2 has been advising tenants to oversee, and
3 particularly in ANCP [bell] Affordable Neighborhood
4 Cooperative Program. Our building requested to have
5 a meeting with one of the representatives of the
6 aforementioned roughly two weeks ago, which was
7 almost about a month ago. They visited and attempted
8 to explain how the program would work if the tenants
9 decided to collectively join such a program. To my
10 surprise it appeared that most, if not all, of the
11 information provided was a smoke screen to get our
12 tenants to agree to a program based on false
13 advertisement and information that would eventually
14 bind them to exorbitant maintenance fees, and a
15 continuous rent increase each year. This was not
16 explained and purposefully left out as it would
17 decimate funds that each member would rely on to
18 sustain themselves and their families for the
19 duration.
20

21 CHAIRPERSON TORRES: I do—I do need you
22 to summarize it, though. You're reading it.

23 RAPHAEL K. WORKS: This--this process has
24 been an ongoing—ongoing issue that has apparently
25 continued to provide a level of neglect and

1 especially in the TPT process of which we're
2 discussing today, it really does not in any way help
3 our building move forward. We've been in the TIL
4 Program for a very long time, approximately 17 years
5 [bell] Since December of 2002, nothing has happened.
6 So, we had somebody from the ANCP project come in and
7 actually speak to us, but never told us anything
8 about the transfer of the TPT process and what that
9 would be, and what it entails—it didn't—they didn't
10 advise us as such. So, it left us very, very,
11 scrutinizing of the information of which they
12 delivered. So, many of us have not taken any
13 necessary forward balance to actually say we're going
14 to sign or move into the program at all because we
15 need more information. We need more clarity, and we
16 need more information to actually get this program,
17 but right now from what I'm hearing since I've been
18 here since, 1:00 today it seems as though I don't
19 even think that this process is even an equitable
20 process for anybody to actually get into at this
21 point. So, I think there's a lot of things that need
22 to change. Changing it with you guys hands as the
23 City Council Members and HPD. I think it needs to be
24 a collaborative effort, and I think we need to move
25

1 forward starting there before we can actually try to
2 ridicule and scorn all of these citizens that have
3 actually put their hard earned trust and money into
4 having their own places and owning their own
5 buildings and they're losing them.

7 CHAIRPERSON TORRES: Thank you, sir, for
8 your testimony. [applause]

9 SCOTT LAVERY: So, not to underscore the
10 importance of this issue, but I'm here on a different
11 matter. Chairman Torres [coughs] honorable members
12 of the committee, thank you for giving me the
13 opportunity to testify today. I'm Scott Lavery,
14 Director of Advocacy and Government with the YAFFED,
15 the Young Advocates for Fair Education. We're a non-
16 profit advocacy group devoted to ensuring that
17 children in New York's Hasidic and also Orthodox for
18 Yeshivas receive a substantially equivalent secular
19 education as required by New York State law. [coughs]
20 This week is the four-year anniversary of our
21 complaint with the New York City Department of
22 Education, which under state law is responsible for
23 all non-public schools within its jurisdiction. In
24 response to our complaint, which named 39 non-public
25 schools where graduates and parents alleged little to

2 now secular education was being taught. The DOE
3 launched an investigation. It's been four years and
4 the investigation is not completed with only one
5 update in August of 2018. This investigation has
6 been long and protracted, and it's completely
7 frustrating and unjustified. Chairman Torres, and
8 members of the committee [bell] I hope that in the
9 coming weeks and months you'll aggressively seek
10 answers as to why the DOE is investigating--

11 CHAIRPERSON TORRES: So-so-so your-your
12 topic has not relevance to the subject of today's
13 hearing, but-but it seems like you want me to follow
14 up on the status of the--

15 SCOTT LAVERY: Absolutely.

16 CHAIRPERSON TORRES: --issue of the
17 investigation. I will reach out to DOI. I will get
18 you a status update.

19 SCOTT LAVERY: Absolutely. Do you need
20 contact information or anything?

21 CHAIRPERSON TORRES: Um, yes.

22 SCOTT LAVERY: Okay.

23 CHAIRPERSON TORRES: Thank you.

24 SCOTT LAVERY: Thank you.

25

2 GLORY HUSSY KERSTEIN: I'm Glory Ann
3 Hussy Kerstein. I am an HPDFC shareholder for 25
4 years in a building where I lived for 37 years West
5 106th Street in Manhattan, the Valley of Manhattan.
6 I'm also part of the HDFC Coalition or Volunteer
7 Organization of HD-HDFC shareholders, which seeks to
8 protect the HDFC community from policies generated
9 by the city that are harmful to HDFC shareholders.
10 You are very right to focus on HDFC co-ops as being
11 targeted by the TPT program. HDFC co-ops comprise
12 only 1.5% of all apartment buildings in New York
13 City, but comprise 44% of those buildings that were
14 facing foreclosure. 1.5% versus 44%. Clearly HDFC
15 Co-ops were over-represented. Two years ago we
16 formed an Anti-Foreclosure Committee in the
17 Coalition. We have been out to 34 HDFCs in the three
18 boroughs of a 20-month period giving them technical
19 assistance, having a tax expert, worked out the
20 Article XI application of which 12 were done. We
21 save 18 HDFCs 502 units from foreclosure by
22 collaborating with City Council and negotiating with
23 HPD to take them off the TPT list. We feel HPD is
24 living on another planet because the 34 we went out
25 to they were not getting robocalls, they were not

1 getting flyers under the doors or posted in the lobby
2 except form the Coalition. So, at this point I want
3 to address two other issues very, very clearly. I
4 would be

5
6 CHAIRPERSON TORRES: [interposing] But
7 very quickly.

8 GLORY HUSSY KERSTEIN: Yes. I worked for
9 HPD for 26 years in Code Enforcement, but HPD doesn't
10 tell you that the violations of record are three
11 things: Ancients (sic) that were generated under the
12 old landlord to NHPD itself . Number 2, duped. A lot
13 of those violations are the same violations generated
14 from one week to a next. When the inspector goes out
15 he sees the same violation and writes it again, and
16 third revenge violations when the board is doing due
17 diligence bringing non-paying residents to court.

18 The first thing you do is call 311, let everyone in,
19 and violations are written up because these are the
20 ones that the shareholders are responsible for.

21 Given all of the experience and the issue of these
22 persons (sic) we did ask HPD for in August 1 of 2017
23 for a working group that would include the three main
24 agencies, City Council staff, HDFC advocate to
25 scrutinize the foreclosure and TPT programs. HPD

1 turned us down flat. We are suggesting for this TPT
2 task force that now HPD two years later because of
3 your scrutiny is saying they're going to establish.
4 You must have HDFC advocacy-advocacy organizations
5 involved because HPD is not going to police
6 themselves, or reform themselves, and we don't want a
7 repeat of past mistakes.
8

9 CHAIRPERSON TORRES: Nicely done. Thank-
10 thank you for your testimony. I'm going to call up
11 the next panel.

12 BEVERLY CURRY: I'm Beverly Curry.

13 CHAIRPERSON TORRES: I'm sorry about
14 that. I didn't—I always for that.

15 BEVERLY CURRY: Uh-hm.

16 CHAIRPERSON TORRES: I-it was my mistake.

17 BEVERLY CURRY: I'm sorry. Beverly Curry
18 from Brooklyn Coalition HDFC. I worked in the field
19 door-to-door, rain, shine, sleet or snow, hot days,
20 scorching days like today, day and night going from
21 door to door telling the people about their
22 foreclosures. People did not receive any foreclosure
23 notice that I visited in the 18 HDFCs in Brooklyn.
24 Four families there recognized the fact that I was
25 there to let them know that HDFC within their

1 buildings was being foreclosed through our
2 organization, which is the Brooklyn Coalition. Okay
3 now, in respect to that we have four to come off the
4 Foreclosure list, four buildings to come off the
5 foreclosure list. One of them was out in East New
6 York with Representative Barron and his, um, [bell]
7 and Council—well, there's the bell again. You had
8 five minutes. I only have three minutes. I need to
9 talk because people did not know, my final thing,
10 that they were in foreclosure and—and HPD said—that
11 being said, they put things under their door. They
12 did not do that. They received what we put we under
13 the door. We put on the outside of the door and
14 inside of the door, and we put—hand put and we
15 invited them all to our meetings. Thank you.

17 CHAIRPERSON CORNEGY: [off mic] Thank
18 you.

19 CHAIRPERSON TORRES: Thank you so much
20 for your testimony. Alright, we'll call up the next
21 panel, and

22 CHAIRPERSON CORNEGY: Carlton Boroughs,
23 Brenda Stokely, Desmanes (sp?) Filiotis, E.M. Green
24 Cohen, and Thomas Wintston.

2 CHAIRPERSON TORRES: I just want to
3 submit for the record the following comment from
4 Council Member Farah Louis: Declining homeownership
5 is a incredibly prevalent issues in my district, and
6 overall within black and brown communities in New
7 York City. The fact that homeowners felt they were
8 disproportionately targeted for the Third Party
9 Transfer Program is unconscionable. Beyond that, I'm
10 incredibly outraged that some homes seem to have been
11 arbitrarily targeted for the TPT Program. Whether or
12 not they were considered distressed properties I find
13 it hard to believe both agencies do not have better
14 steps and measures for tax collection that does not
15 involve threatening homeowners with the loss of their
16 home. Additionally, the very possibility of such a
17 demonstrable discrepancy in valuation of the
18 properties is alarming. Accepting this discrepancy
19 as true, how would a lien-to-value ratio ever be a
20 fair criteria to enter homes into TPT. We are
21 stewards of our great city, and it is unacceptable to
22 continue to rob homeowners of equity, generational
23 wealth and being part of the American Dream. This
24 testimony from Council Member Farah Louis is
25 submitted for the record.

2 CHAIRPERSON RODRIGUEZ: I'd also like to
3 invite up Annie Wilson Miquette (sp?) [pause]
4 [coughs] Is she still in attendance? In that case,
5 Sibon Dolan. [background comments/pause] Rebecca
6 Major as well. I'm sorry. It's Major? I'm going to
7 ask again that you, um, state your name for the
8 record, and the instance that you can, please try to
9 be clear and concise with your testimony. You can
10 being at any time. Yes, ma'am, you have to press
11 the, um, button and if you see the right—the red
12 light illuminated, it signifies that you are ready to
13 speak. Thank you.

14 BRENDA STOKELY: My name is Brenda
15 Stokely. I'm one of the co-chairs. You heard from
16 the other two from Brooklyn Coalition of HDFCs.
17 We've also collaborated with all other groups that
18 have been fighting hard to try to rectify this
19 nonsense, and I have to call it just what it is, and
20 the lies that were told today by the staff. I'm here
21 to basically suggest a thing that didn't just come
22 from us. It came from all the people we spoke to,
23 and unfortunately, it would have been helpful, and I
24 know your time is stressed, but we work, and we went
25 to every single one of HDFCs to speak to the people,

1
2 as—as was said earlier, and I think it would have
3 been very helpful if that had been attempted by
4 everyone else on—so you could really see what was
5 going on and actually speak to the real people and
6 find out that most of them are seniors. Most of them
7 are black and Latino women. Most of them are on
8 fixed incomes, and most of them have lived in those
9 houses for almost 30 years, and the houses are over
10 100 years old for the most part. So, you should just
11 be able to see that there was going to be a problem
12 not because people are stupid and don't know how to
13 handle their affairs because you're getting 100 old
14 buildings that were left in ill repair when they
15 first came. They had violations that were supposed
16 to be moved—removed when HPD first started working
17 with them to form co-ops, and they never removed
18 them. So, those are still hanging on their place,
19 and that's was being used to discredit the people
20 that were there. So, one of the things that I think
21 is very, very important is one, is that we must honor
22 and respect the people who are actually living in
23 these places, and learn from them what they need and
24 what they can contribute. Number 2, I think that we
25 need whatever this group is this working group we

1 need to be on that group. Our say-so need to be on
2 that group because we're living in those places every
3 single day, and we can tell you all of the things
4 that we try to go to people taking money out of their
5 own pockets money our out of their own pension to
6 help keep it alive. You need to know that because
7 we're not sitting there being slouches and trying to
8 get over on anybody. We're trying to live in housing
9 that originally would have gone by the wayside if for
10 not us living in them and doing the best to keep them
11 going on all these decades. Secondly, those people
12 who abandoned the building, and didn't pay their
13 taxes, they should have been put in jail. You want
14 to find somebody to discredit, it should have been
15 those people. Nothing happened to them, but now in
16 this period of time, where all this gentrification is
17 coming on, you're actually correct. Yes, it's
18 identical to the places that were left abandoned or
19 they either tried to burn down whole neighborhoods.
20 So, now these places they want them back. It's very
21 simple. It's not something magical. They want the
22 building back and they want us out. That's what they
23 want, and we need to fight like hell not to let them—
24 let them do that. We need also all of the money that
25

1
2 you could give the developers, all of the 8-A loans
3 you could give them, the JDC-1 (sic) loans the zero
4 interest loans. If you have—this city has money to
5 give it to rich people, they should have given it to
6 the HDFCs so they could repair their own houses, so
7 they could be able to do the capital improvements, so
8 they could be able to fix places up and handle things
9 in a better way because they have resources. Lastly,
10 it is not—we cannot separate the deed theft from
11 what's going on. That has to be part of the package
12 because that same group that was mentioned by the
13 older sister that same group was going around to all
14 the HDFCs, they were all on the foreclosure list.
15 They had the list, and they were telling lies and
16 saying they were from HPD when they were not. They
17 were telling people to abandon the buildings and they
18 were telling them that they find them apartments, and
19 they we would do all manner of things when they were
20 all lie—lies, and they were also trying to get
21 people's deeds and their shareholder certificates.
22 So they're there and they're still out here. They're
23 still out here. They're going around still trying to
24 co-act people into dealing with them, and also coming
25 up with all manner of schemes to take over empty

1
2 apartments in those buildings. So, that is something
3 that cannot be separated and you can't sleep on it
4 because before we know it, they're going to be
5 creating some—a whole bunch of havoc in the HDF—
6 HDFCs. In addition to this--

7 CHAIRPERSON TORRES: [interposing] Can
8 you—can you--

9 BRENDA STOKELY: I have one more thing to
10 say.

11 CHAIRPERSON TORRES: Conclude then.

12 BRENDA STOKELY: We need a clinic in
13 every community and every borough that is mandated to
14 be able to assist HDFCs. Not the neighborhood
15 housing services. Not you have that actually stole a
16 tenant's money under the belief that they were going
17 to be able to get them insurance when they know that
18 they were not working under the contract with—with
19 the—with the city any more. So, we need to have
20 clinics that we—that can be staffed by people to
21 bring all the services that we need. We need a
22 moratorium on foreclosures and on the TPT, and I
23 think the TPT needs to be thrown out, and I will say
24 why. Because it was never intended for us. It was
25 intended by law for private entities not for us, and

1 how it got over to being applied to us is a mystery
2 that we need to break that mystery and find it out.
3 It serves no purpose except to rob property from us,
4 and as far as I'm concerned, we're not going to have
5 another Seneca Village here around this place. We
6 are not going to be moved, and we're not going to
7 lose our homes, and we're not going to lose our
8 equity. It's out and out theft. That the agency is
9 involved in, and other people higher up and involved.
10 And also, the last thing I want to say is be strong
11 and courageous just like our sister Barron was. All
12 of you could have stopped and said no, I'm not going
13 to let you take these people. I'm going to check out
14 and find out what's going on with it. I'm going to
15 see how I cant could help them. Then we wouldn't be
16 sitting here having this discussion in the first
17 place.
18

19 CHAIRPERSON TORRES: Thank you for your
20 testimony. Next. [applause]

21 Hello. My name is Rebecca Major. I am
22 the secretary. I'm here to just describe the mis-the
23 lack of proper like notification and information.
24 From my experience, I joined the board of my building
25 at 499 West 158th Street when we were served with a

1
2 foreclosure notice and, um, whereas to this day we
3 don't know if the former board did receive a
4 notification, but we received a notification in the
5 form of the Third Party Transfer notification on the
6 door, and that cause a lot of alarm in our
7 shareholders. After that two other shareholders
8 received letters after the fact as are as we know.
9 So, that was the beginning, and, um, we were not
10 aware of the redemption period and the discretionary
11 period, which is a very important timeline. We got
12 ourselves—we organized as a board and we—we submitted
13 out Article XI application within two months in
14 November 2017. We were in direct communication with
15 HPD. Henceforth, they knew us by face, they knew us
16 by contact information. At no point did they tell us
17 of our rights on a very basic timeline in terms about
18 the redemption period or the discretionary period,
19 which caused our building to make certain decisions.
20 We decided that we as a drastic last resort to begin
21 contract into a predatory loan to save out building
22 as a last resort. We were days away and spent
23 thousands of dollars to get our building assessed,
24 and lawyer's fees, and in the last moment we pulled
25 out of the deal because we, it was just so bad. It

1 was like I said a, um, a predatory loan. We
2 shouldn't have gone through all that if we had just
3 known our basic rights. After that, we were in very
4 high alert and we decided that the best course of
5 action would be to enter into a bankruptcy
6 protection, which we are still in now. The
7 bankruptcy protection has given us time to catch our
8 breath and to, um, deal with just ongoing management
9 of the building and—but it's an incredibly expensive
10 endeavor. Bankruptcy attorneys are more expensive—
11 costly than a normal [bell] housing attorney for
12 instance. That money would have been better spent
13 paying back our debt to the city, but they require
14 50% lump sum to enter the payment program for taxes
15 unlike the DOF. So, that was inhibitive, as I said,
16 it's been a learning process day by day, week by week
17 month-by-month. In fact, today I learned also that,
18 um, as I mentioned, we had our property assessed as
19 part of the, um, process for getting a loan. I just
20 learned today that weren't by definition of the 15%
21 ration that we were not in financial distress alone,
22 but in any case so thank you for letting me be heard.

24 SHAVON DOLAN: Hello. My name is Shavon
25 Dolan, and I live in a secure HDFC, but I'm—I'm here

1
2 to hear the stories of others who are in insecure
3 HDFCs. So, I-I just want to say that I've been a
4 nurse for a number of years working in the city
5 shelter system, and one of the most basic of the
6 hierarchy of a human being's needs is that of having
7 air, food, clothing and shelter. That is the most
8 basic thing of the five hierarchies of need. If I-I
9 have concerns because I would see in the shelter
10 system that if you came in being balanced mentally,
11 you will-you will often have problems long before you
12 left of depression and anxiety, and all the
13 difficulty of losing your home. So, I have concerns
14 [bell] for what hangs over a person's head in-in fear
15 of a foreclosure. So, I-I want to say that I-I do
16 feel very moved by all that's been said at these
17 tables here, and it gives me hope that with your
18 intelligence and appreciation for humanity that we
19 can move forward in the best way possible. Um, I
20 also want to say that in-in hearing what some people
21 of the Anti-Foreclosure Committee of the HDFC
22 Coalition, what they have done in avoiding the
23 foreclosure of 502 apartment units is-is really
24 magnificent, and that's less than-than five people,
25 two or three people carrying the heavy load of that

1 work and it's very interesting to me that as somebody
2 pointed out here that there's three people in HPD who
3 are—who are doing their work. It's—it's clearly not
4 enough. With the—I—I guess, you know, I—I—I want to
5 include in finishing that, um, and I'm—I'm not coming
6 from a sarcastic point of view, but I—I was—I was
7 really shocked, overwhelmingly shocked that the HYPD
8 group left with not hearing these stories. That—
9 that—that hurt me and—and worried me, but I—I have
10 confidence in you, and, um, I—I am sure that things
11 can be changed. We—we can do it and I—I—with all
12 this, this word transfer has come up but hundreds of
13 times today, and I believe that we need a transfer.
14 I'm not coming from sarcasm, just reality. A
15 transfer if an understanding of people's stories and
16 listening and humanity amongst the HPD Committee, you
17 know, that is addressing this issue of—of
18 foreclosure. So, I'll—I'll just end with that, and
19 thank you very much.

21 CHAIRPERSON TORRES: Thank you for your
22 testimony.

23 SHAVON DOLAN: Thank you.

24 CARLTON BOROUGHS: Good afternoon. My
25 name is Carlton Boroughs, and I'm living this

1
2 nightmare of Third Party Transfer Program. I want to
3 say thank you to Chair Cornegy, Chair Ritchie Torres,
4 especially to you, Ritchie. You took the time to
5 listen us, and we appreciate that, and I—I'm not just
6 speaking for the building that I live in, I'm also
7 speaking for the hundreds of residents and other
8 HDFCs who are suffering as a result of a program that
9 was absolutely designed to fail. This hearing is
10 about oversight, and due to a lack of oversight in
11 our situation, nothing about it is legal. The way we
12 became a Co-op—HDFC Co-op was done on an absolute
13 fraudulent basis. I handed folders to the Council
14 today just highlighting our building. [bell] Due to
15 a lack of oversight, there's fraudulent filings where
16 they misrepresent what's actually being done in the
17 alleged renovation. Say for instance our building,
18 they borrowed \$6 million without our input. Did not
19 do the work. The job is still open with the
20 Buildings Department, fraudulently filed the—the type
21 of work that they were going to do, registered the
22 total cost of the job by the estimated cost of the
23 job at \$180,000. Now this is direct evidence, and we
24 have a series of buildings that are HDFCs that
25 participated in the Third Party Transfer Program

1 using the same contractor who did not bid on the job.
2 He was selected for the job by HPD. Did not go
3 through the regular protocol as should anybody that
4 tries to get a contract with the city, the
5 municipality when any government money is involved.
6 They did not follow that protocol. That's due to a
7 lack of oversight. Due to a lack of oversight, the-
8 the contractor that got the job for our building
9 received a deposit of \$3,912,000 where the job was at
10 that time budgeted at \$4 million. So. he got 90% of
11 the money upfront, and didn't do the work but yet
12 we're stuck with ten-I mean \$6 million dollars of
13 debt where we didn't get what we were promised, and
14 we're in foreclosure where the bank never had
15 standing. So, how is this going unnoticed by-by New
16 York City? We have examples. I mean not examples
17 but factual evidence that shows that in another
18 building they borrowed \$46 million on a partial
19 renovation, didn't do the work. The building is
20 still falling apart, and they just borrowed another
21 \$30 million. This is all taxpayer's money, and the
22 part that's-that's not coming up at this hearing is
23 the criminality of it all. HPD is absolutely a
24 criminal organization. It makes way for---for these
25

1 developers, these hand selected, pre-selected
2 developers and just as she alluded to, all of these
3 people were the previous land owners or building
4 owners. They want their properties back, and what's
5 the vehicle they use to get them back? HPD because
6 HPD does not care about these hybrid programs that
7 they set up. What they care about is giving all the
8 breaks to the private developer, their pre-selected
9 friends. They're the people made contributions to
10 certain politicians' campaigns because a lot of this
11 stuff has been signed off on by politicians. Look at
12 this bill that-that recently came to my mind is Local
13 Law 64. If you're concerned about Brooklyn then you
14 need to look at that bill, and see that it's
15 specifically tailor made to target the-the
16 brownstones in Brooklyn and wherever else in this
17 city that there are valuable brownstones. In our
18 case, HPD did not follow the law at all. Their
19 criminal partners like UHAB, SHUHAB. There need to
20 be an investigation, and there needs to be a
21 moratorium--

22
23 CHAIRPERSON TORRES: Okay.

24 CARLTON BOROUGHS: --on the Third Party
25 Transfer Program. Me personally, it needs to be done

1 away with completely, but I'm willing to work with
2 some sensible folks who are in touch with the reality
3 or of what's going that are living in these HDFCs
4 because the people that are making the decisions for
5 the HDFCs don't have a clue about what it is that
6 we're going through. Who best to tell and come up
7 with solutions than the people who live in it?
8

9 CHAIRPERSON TORRES: Carlton, I need you
10 to—if you can conclude

11 CARLTON BOROUGHS: Yeah, I'm concluded.
12 Thank you.

13 CHAIRPERSON TORRES: Alright, we'll—
14 we'll—great. I guess we'll call up the next panel.
15 Oh, right there.

16 MARY ELIZABETH GREEN-COHEN: Test. Oh,
17 you can hear. Okay. Thomas Winston. I'm Mary
18 Elizabeth Green-Cohen his wife. I sent all my
19 correspondence regarding all this controversy
20 regarding our relationship with 938 Saint Nicholas
21 Avenue as Emmy also known as Mrs. Winston. Thomas
22 has asked me to read his testimony, but I'll be very
23 quick. He begins, "I Thomas Winston and my wife Emmy
24 Green-Cohen are the first shareholders residing at
25 938 Saint Nicholas Avenue. On May 1, 2000, I signed

2 the least for apartment 31 as-with the then 7-A
3 Administrator to lease apartment 31, which had been
4 vacant for over ten years. The 7-A Administrator did
5 not have the funds to renovate and prepare the
6 apartment for rental. The agreement between the
7 parties entailed rent credit against the state my
8 lease while I conducted and paid for the renovations.
9 We entered into this agreement because it was an
10 affordable investment that would allow us to
11 consolidate our two households [bell] and cease to
12 live separately. The building was slated to become a
13 cooperative, and we thought that that money, time and
14 sweat equity investment would be rewarded over time.
15 In May 2001, the city of New York Commissioner of
16 Finance conveyed 936-938 Saint Nicholas Avenue the
17 building to Neighborhood Restore in exchange for the
18 sum of \$1.00. In December 2002, Neighborhood
19 Restore conveyed the building to SHUHAB HDFC in
20 exchange for the sum or \$1.00. In July 2002, SHUHAB
21 HDFC entered into an agreement with Contractor
22 Dellwood Construction to perform work at the
23 building. Dellwood was given a deposit of \$3,912,000
24 without scope of work compliance. During this period
25 I served as sergeant-at-arms 936-938 Saint Nicholas

2 Avenue Tenants' Association. After receiving many
3 complaints from tenants regarding shoddy work, we
4 formed a construction committee that I chaired to
5 monitor the work progress. We lived happily, my wife
6 and I lived happily [coughs] until we were forced out
7 of Apartment 31 for refurbishing and renovation by
8 SHUHAB for a period—it was totally for a period of
9 two to three months. [bell] Unfortunately, it ended
10 up being 13 months due to SHUHAB's non-compliance
11 with its relocation agreement. In August, 2005 we
12 were informed by the HPD that a rent increase based
13 on the cost of renovation mortgage would become
14 effective. We informed HPD that the renovation was
15 shoddy and incomplete and not deserving a rent
16 increase. We also informed public officials about
17 our concerns regarding the misuse of public funds. In
18 April 2006, the Tenant Association --

19 CHAIRPERSON TORRES: I'm going to need
20 you to conclude. Yes.

21 MARY ELIZABETH GREEN-COHEN: The thing is
22 that we—we hired an engineer, and a survey company to
23 inform and accredit the fact that none of those—none
24 of those repairs were done in the—in the proper
25 manner. As a result, attached to this—to his

1
2 correspondence is a complaint listing that began in
3 September 2004. Nothing has been done. The
4 conditions remain the same. We have been fighting
5 an—and it's just extrapolating for 15 years now, and
6 the only answer that we've had is that HPD certified
7 the work was complete, and you are—you are sentenced
8 to disrepair for the—for all this time. Something
9 has to give. HPD, um, does not or should not—a city
10 agency should not over—over—over—oversee a state
11 agency. We—we're we've—just because we're in an HDFC
12 we are not second class citizens. We're still
13 taxpayers, and because we live in an HDFC, it's like
14 we are relegated to well then to stereotypical
15 thinking that we're not of value, and we are to stop
16 and to—to—to—to—to accept whatever we have been
17 given because "You got this—this got this building
18 these apartments for little money, and so you should
19 be happy." But on the other hand, we all would have
20 been better off if we had remained rent stabilized
21 tenants [applause] and—and—and—and as we did in
22 Apartment 31, we spent \$20,000 in cash, \$20,000 of
23 our sweat equity to make that place livable. We
24 could have hired an electrician and a plumber to do
25 what they did that they claim they spent \$120,000 per

1 apartment for. It's full of fraud, and someone needs
2 to go to jail. I have this, uh, picture--

3
4 CHAIRPERSON TORRES: And I--and I do need
5 you to conclude, please. [bell]

6 MARY ELIZABETH GREEN-COHEN: Okay. I'm
7 going to conclude very quickly.

8 CHAIRPERSON TORRES: We have a few more
9 panels.

10 MARY ELIZABETH GREEN-COHEN: This is
11 Thomas and In 2006. This is us now. We--people
12 should not--we shouldn't be suffering like this
13 because we live in housing development companies.
14 Thank you.

15 CHAIRPERSON TORRES: Thank you for your
16 testimony. [applause]

17 CARLTON BOROUGHS: Oh, man.

18 CHAIRPERSON CORNEGY: Thank you for your
19 testimony. We're going to call the next panel.

20 MARY ELIZABETH GREEN-COHEN: I'm sorry.
21 [background comments]

22 CHAIRPERSON CORNEGY: Sean Abbott, Sandra
23 Erickson, Bobby Wells, Marie Matthew, Furman Castro,
24 and Emily Kurtz . I'll call it again. Emily Kurtz,
25 Furman Castro, Marie Matthew, Bobby Wells, Sandra

2 Erickson, Sean Abbott. [background comments/pause]

3 Is—is Van still here, Van Walker?

4 CHAIRPERSON TORRES: Okay, I think we—we
5 can begin now. Okay, do—do you want to start?

6 SEAN ABBOTT: Yes, I want to start.

7 CHAIRPERSON CORNEGY: Uh, Theo Chin. I'm
8 sorry.

9 SEAN ABBOTT: Is this live? My name is
10 Sean Abbott. I'd like to apologize to the Chairman
11 because I was extremely rude to the Chairman prior to
12 the meeting. Um, but, uh, you are the boss of the
13 place. I—I want to commend the Chairman and Mr.
14 Torres especially for their interrogation of these
15 terrible people who were here earlier, and who fled
16 the room in disgrace—in disgrace, and I do want to
17 know why didn't you call after them, and say you must
18 come back here and listen to the testimony of these
19 people who are suffering in their homes? It's an
20 outrage that they left, and they're not here to hear
21 us. Now, I'm going to change the topic just slightly
22 off of our very narrow focus on TPT, which doesn't
23 need to exist at all. If we look at the ceiling at
24 that panel right there, George Washington said, Our
25 commercial policy should have an equal and impartial

1 hand. [bell] Is that what that panel says on the
2 ceiling right there? I believe it does. I believe I
3 have read it properly. Now, what is going on here is
4 very simply that we don't have any equality. The
5 solution to our problems is not that we need to be
6 more disciplined because we can't take care of our
7 own buildings. The problem is that there are these
8 sweetheart deals and giveaway, and frankly welfare
9 for the corporations, the corporate landlords, the
10 billionaires. What is the failure to tax the
11 billionaires? What is this that I hear that 432 Park
12 Avenue doesn't have to pay the taxes that I do in my
13 HDFC for 12 years because of a little pocket park
14 that they inserted next to their building where only
15 billionaires live. Mr. Torres, said something that
16 is very important and bears repeating. He talked
17 about the weaponization of TPT. I'll also describe
18 it a uniquely draconian, but at the same time said I
19 find value in it. Now, over there in the corner at
20 that time there was the Daily News and the New York
21 Post and God knows if they'll cover this, but that's
22 the sort of quote that they pick up, and then it
23 seems like they're neutral on it, and they miss that
24 you were interrogating these people, and they miss
25

1 the fact that these people fled the meeting, and they
2 should have stayed here. \$30.4 million is owed by
3 these HDFCs. Get it from the billionaires. Figure
4 out as a body that look up at the ceiling on occasion
5 and read that quote, and for once, could we start by
6 asking this question: Cui Bono. Who benefits from
7 TPT? The landlords, the commercial landlords who
8 abandoned these properties in the first place decades
9 ago. Thank you.

11 CHAIRPERSON CORNEGY: Thank you.

12 EMILY KURTZ: Hi. [coughs] Thank you,
13 Chairs Cornegy and Torres and committee members for
14 the opportunity to testify before you today. My name
15 is Emily Kurtz, and I am the Vice President of
16 Housing at RiseBoro Community Partnership. I am here
17 to share with you how very important the Third Party
18 Transfer Program has been to RiseBoro's Neighborhood
19 Stabilization effort in and around Bushwick.
20 RiseBoro has partnered with HPD and Neighborhood
21 Restore on multiple rounds of the Third Party
22 Program. My very first development project when I
23 joined RiseBoro in 2004 was West Bushwick TPT. In my
24 role as Project Manager I met with tenants during the
25 stabilization period of the program often in their

1 homes. During these visits, I witnessed families
2 living in rented homes that had been abandoned by
3 their owners, years of disinvestment, deplorable,
4 unhealthy and unlivable conditions. These tenants
5 were distressed over of our interest, assured we were
6 only there to provide promises that we would break
7 and to take advantage and displaced. I cannot blame
8 them given the conditions in which they forced to
9 live paying rent to a landlord who did nothing to
10 maintain their home. In time and with effort, the
11 tenants in the West District TPT cluster came to
12 trust [bell] our efforts to stabilize and improve
13 their home. We prioritized—we prioritized engagement
14 and communication. We shared architectural plans and
15 scope, and we found interim relocation apartments
16 that caused as little destruction to daily life as
17 possible. We made good on our promise to improve
18 conditions in their original homes, which in most
19 cases required gutting the apartments, reconfiguring
20 layouts to better accommodate for family size, and
21 bringing the buildings into compliance with the
22 current building codes. Through these efforts we
23 preserved 43 units of affordable housing in Bushwick
24 with rents affordable to the tenants that for years
25

1 put up deplorable living conditions. We saved nine
2 buildings in the heart of Bushwick, and those units
3 remain affordable today. Twenty-five of the units
4 are still occupied by the household that moved in at
5 construction completion nearly 15 years ago. TPT is
6 a stabilizing factor in our community, the opposite
7 of a displacement program. I know this has been a
8 very controversial--controversial afternoon. I just
9 thought you should hear from someone from an
10 organization, and a neighborhood organization has--
11 that has worked with the TPT Program to--to stabilize
12 communities and--and has done well for--for the renters
13 providing them with stabilized leases, and I'll leave
14 the rest of my comments in your packet. Thank you so
15 much for the opportunity.

17 SANDRA ERICKSON: Good afternoon. Thank
18 you for allowing me to testify today. My name is
19 Sandra Erickson. I'm the President of my own firm, a
20 real estate management firm licensed by New York
21 State for over 35 years. We're a certified MBWE firm
22 focused on the management, creation and
23 rehabilitation of affordable housing in the Bronx.
24 I'm a long-time resident of the Bronx, and deeply
25 involved in the community serving 20 years on

2 Community Board 7, Vice President of the Chamber of
3 Commerce, and many other community activities. My
4 firm has participated in HPD Third Party Transfer
5 Program back since 2005. Our first building we took
6 over was the worst building in the neighborhood
7 overrun with drugs trafficking. We secured the
8 property, and took care of all emergency conditions.
9 A plan to rehab the building was undertaken. Our
10 tenants were temporarily relocated to facilitate the
11 work. No resident was displaced, and everyone now
12 appreciates [bell] a beautiful new apartment, and a
13 rent stabilized lease. Our next cluster was very
14 similar, four buildings we took over in December of
15 2011, a broken heating system. The residents
16 approved the swift and kind attention we provided to
17 these buildings, and again, we—that building is
18 successfully rehabbed. No tenants were displaced,
19 and previously no one had rent stabilized leases.
20 They all do now. The current round of all former
21 HDFCs in Community District 16 we've worked closely
22 with our local Council Member in these buildings.
23 They're in various states of disrepair from poor to
24 extremely poor condition. The roof leaks with some
25 of the worst I've ever seen cascading into vacant and

1 occupied units. Heating systems in the largest
2 building was badly leaking in dire need of repair,
3 serious roof, plumbing, brick pointing had to be
4 handled. The same building's management was
5 illegally collecting broker's fees, only repairing
6 units for tenants they liked, and in another building
7 we're in the process of a full vacate due to extreme
8 dilapidated conditions. Drug trafficking in squatter
9 units in two of the three buildings necessitated
10 legal holdover actions. We've experienced the
11 success of TPT, and believe in the program as do our
12 residents and the community members the buildings are
13 a part of. Thank you.

14
15 BOBBY WELLS: Hi. My name is Bobby
16 Wells. It's nice seeing all of you besides seeing you
17 on TV all the time. [laughs] How you guys doing?
18 Okay. I'm here to just point out about the TPT. That
19 was my building the first picture you showed up
20 there, 1211. You could see from the picture that,
21 uh, as with the we was waiting for HPD You know, I-I
22 was always calling them, you know, because I was left
23 because they told me to try to hang in there, and
24 manage the, you know, maintain a building and to help
25 a lot. You know, so to me TPT came. When they came

1 it was like a godsend, you know, because when they
2 came along the first day they came as soon as they
3 walked on the block right away they start to actually
4 take them through the building, show them who's here,
5 tenants, whatever problem. That whatever you told
6 them you needed to be done at the scene, they made
7 calls, and they had people come to work right then
8 and there that same day making all kind of emergency
9 repairs. I mean all through the night, the next day,
10 whatever. So, and they, uh, they placed people, you
11 know, and everybody's—everybody's happy they got the
12 right—they're guaranteed in writing to come back when
13 the building is—is done, and all I can say is these
14 people came, and they did what they were supposed to
15 do for everybody because that building was basically
16 falling down on top of us.

18 CHAIRPERSON CORNEGY: I want to thank you
19 for offering that perspective because that's a
20 perspective that we hadn't heard today. Thank you for
21 offering that. I think it's important to hear from
22 everyone, and that's why these hearings are
23 important. They're generally not one-sided, and I
24 was surprised that there wasn't someone who had come
25 and just spoke about some the benefits of the Third

2 Party Transfer Program. So, thank you for offering
3 that perspective. I think it's important for us to
4 hear.

5 BOBBY WELLS: You're very welcome. So,
6 as soon as I heard about they was trying to take the
7 program, I said I will go down with you myself.

8 CHAIRPERSON CORNEGY: Thank you. We're
9 going to call the next panel. [background comments]
10 Anthony Cunningham, Isabel Adon, Frank Ramon r. I can
11 pronounce the first name. Sorry. Antonio, last name,
12 Jose Sanchez, and Karen Greenwood.

13 SERGEANT-AT-ARMS: Any of those folks,
14 please come up. If you have copies of any
15 statements, we'll take them now. [background
16 comments/pause]

17 CHAIRPERSON CORNEGY: Can I call two more
18 people please, James Dukery (sp?) and Cynthia
19 Shepherd. James Dukery, Cynthia Shepherd? Cynthia
20 Shepherd? Diane Rupert McDonald, Deanne Rupert
21 McDonald, and Kingsley Palmer. Again, I just remind
22 you to, um, speak directly into the microphone, state
23 your name. Press the button, and when you see the
24 red light illuminated it means it is your turn to
25 speak. You can begin whenever you like.

2 ISABEL ADON: My name is Isabel Adon. I
3 reside at 1600 Nelson Avenue, which is an HDFC in the
4 Bronx. I came to this country in 1978 just before
5 entering adolescence. The Bronx as I know it now was
6 not the Bronx that was then. My entire block was
7 completely empty except for my building. The only
8 building standing was my building, and then another
9 building two blocks away. I bought my apartment for
10 \$250 when I was 19 years old, and I have lived there
11 since 1978, and I am probably one of the people who
12 have lived there the shortest time. I actually
13 submitted to the Council Members to their
14 Investigation Committee a list of the original
15 shareholders, and out of those there's few that have
16 passed on, but the majority of them remain there. I
17 just want to say that today in this moment, we stand
18 on already stolen land. We stand in the land of the
19 La Nappe, the Rockaways and the Canarsie, and that
20 tradition of stealing land stealing property still
21 continues today taking something away from those who
22 have worked so hard to get their American Dream. I
23 wish that the people from HPD had given us the
24 dignity to stay, and listen to us, and by they're
25 leaving, it just confirms what I already know, we do

1 not matter, and we matter so little that they didn't
2 even want to stay to listen to what we have to say.
3 It didn't matter whether we agree or disagree with
4 them or whether we support the program or we don't,
5 but it does matter to me that today I really feel
6 like I did not matter that what I have to say was not
7 important enough for them to stay. I am so saddened
8 by that because I stand here today knowing that we
9 lost our case at the Supreme Court level with Judge
10 Battle, and we are going to appeal, but the HPD sat
11 here and say that they came to our building. I don't
12 know about anybody else's building, that—that they
13 came to our building and notify us. It's a lie. No
14 one, no one has ever come to our building. No one
15 has ever come to our rescue. UHAB have never been in
16 our building. They has never been anyone extending
17 our hands to us, and that they sat here and lie, it
18 is—I cannot even conceive that. I just want to say I
19 want to thank you Richie Torres, and I want to thank
20 Cabrera. He already left, and Cornegy, but Mr.
21 Cabrera, Fernando Cabrera came to our building, and
22 he can attest that our building is not in distress.
23 I have two jobs so I could pay and maintain my
24 building and raise my children, and I am probably the
25

1 person who has invested the least in my apartment,
2 and I have the least invested throughout those years
3 at least \$100,000. And that the city would come and
4 take my sweat equity away without any kind of
5 retribution is the same thing that they did to the
6 African slaves and to the African-American community
7 where there was no reparation not even the 40 acres
8 and a mule, and so I just want to say that that to
9 this day, they're stealing property and taking away
10 property continues.
11

12 Thank you. Thank you for having me here
13 and thank you for having us here. I'm the Board
14 President of an HDFC at 424 East 115th Street and I
15 had--

16 CHAIRPERSON CORNEGY: [off mic] State
17 your name for the record?

18 FRANK RAMON FUENTES: Sorry, my name is
19 Frank Ramon Fuentes, and I had no idea about the TPT,
20 no--there was no information given to us, not directly
21 not through flyers, nothing, and so by chance I took
22 it upon myself to--to go to a Congressman and Council
23 Member Ayala's office on 116th Street just to see if
24 I can get, um, support, and she hear or at least the
25 Administration from the office heard me, and they

2 were very, very, very helpful, and I'm very extremely
3 grateful to them to help us out to get us off of the
4 TPT list. Not just them, but actually from them,
5 they-they veered us to the wonderful HDFC-

6 FEMALE SPEAKER: [off mic] Coalition.

7 FRANK RAMON FUENTES: Coalition who
8 helped us in so many ways, it's-it's really
9 incredible, and so I just wanted to make the
10 testimony here to say that I'm very grateful to them
11 and to Council Member Ayala for everything and-and
12 the Administration as well. Thank you so much.

13 CHAIRPERSON CORNEGY: So, Council Member
14 Ayala works incredibly hard. I'm going to relay your
15 message to her.

16 FRANK RAMON FUENTES: Thank you.

17 CHAIRPERSON CORNEGY: You're welcome.

18 KASIAH ANTONIO: My name is Kasiah
19 Antonio. I'm a-I am a tenant at 1211 Washington
20 Avenue, HDFC in which my mother is-is Cali (sp?)
21 Antonio. She's a shareholder. I'm speaking on my
22 mother's behalf in regard to an illegal Third Party
23 Transfer by Neighborhood Restore, and we are seeking
24 an investigation into Neighborhood Restore because
25 1211 Washington the-as it was transferred to

2 Neighborhood Restore without prior Council approval.

3 We ask for this matter to be reviewed before the City
4 Council, and hope to get a favorable resolution in
5 regard to maintain 1211 Washington Avenue sometime in
6 the near future.

7 CHAIRPERSON CORNEGY: Pronounce—pronounce
8 hour name again.

9 KASIAH ANTONIO: Kasiah.

10 CHAIRPERSON CORNEGY: Kasiah. Sorry about
11 that.

12 KASIAH ANTONIO: Got you. It's alright.

13 [pause]

14 KAREN WAKELY WARD: And I'm from the
15 People's Committee Karen Wakely Ward. I'm from the
16 People's Committee. I'm here today to address about
17 the foreclosure of my home by Chase Bank, not the
18 original mortgager, and being defrauded by a mortgage
19 modification company like Templeton Group that was
20 indicted, and Homeowners Help Line, which is still on
21 the air on 1190 a.m. and I fee that these radio
22 stations need to sensor these—these organizations
23 when they, come on the air to advertise their
24 programs because we have a lot of fraud programs
25 right now on the radio, and people do get caught up

1 believing that these programs they're introducing
2 about helping you with modification program actually
3 work when they don't. I'm very, um, disturbed to
4 know that, um, as a 911 victim I had not other
5 choice, but to get modification because of my illness
6 and, um, now unfortunately, I'm in this position,
7 and, um, this--this judge by the name of Deer and
8 Michael Spinak the attorney who was part of the
9 modification scam program is still in the courts. My
10 case is under investigation with the D.A.'s Office,
11 and they responded to say to say to me that, um,
12 right now they can't tell me what's the update of my
13 case. So, at the same time you're not telling me
14 what's the update of my case, I am fighting for my
15 case, fighting for my home because I have no one out
16 here to protect me. And so, this is very stressful
17 on me, and my family, and we are asking for the
18 moratorium. We need it right away. It's--it's really
19 hurtful to see at this time 2019, we are suffering
20 the way we are, and I'm asking you in Jesus name to
21 help us today. Please help us because we need it.
22 We have too many scammers out there, marshals,
23 sheriffs, judges, and excuse me, any lawyers that are
24 here, but I'm saying it, too many scammers. They have
25

2 arrested our people illegally, and then they have a
3 record. You push us to do modification and
4 bankruptcy for what? When we are under investigation
5 and we can prove our cases, it's just not fair. So,
6 where is the help. The non-profit program, they're
7 not helping. They said they put in \$20 million in
8 these programs. Where are they? They only limit
9 [bell] to a certain amount of intake they're going to
10 take. You want to look at my income and tell me you
11 can't help me, and then you limit to help me. That's
12 not right. I'm a taxpayer. I'm a taxpayer. I pay
13 for assistance for the city and I need it. So, I'm
14 asking everybody to look into these non-profit
15 programs who supposedly supposed to be helping us
16 while we're going through an investigation with the
17 DA's office, which I'm not happy with the DA with
18 Letitia James either. I need to know why isn't Cuomo
19 not signing this bill? Why do we have to suffer?
20 Every other bill has been signed in a second and this
21 one right here we've got five or six bills that need
22 to be signed. Why isn't it signed? This could be
23 over already. So, I thank you for your time. I will
24 not hold you up any longer. I'm must asking please
25 when we leave here today we need feel we're

2 fulfilled, rejoice knowing something is going to
3 done, because we're tired of talking, we tired of
4 asking. We have been coming to too many hearings, and
5 I'm not seeing nothin' done. Please. Thank you.

6 [background comments]

7 DEANNE MCDONALD: Hello, my name is
8 Deanne McDonald. I'm here with my senior citizen
9 father Rupert McDonald. Wave. I was kidnapped out
10 of my home. I paid for my home in full. I showed I
11 was in foreclosure. All my taxes had been paid.
12 I've been in my home, we've been in our home since
13 2003. All the water bills are paid. We fixed up our
14 home, and no matter what, um, our home is stolen. We
15 had an Order to Show Cause to Stop to stay the sale
16 of our home, and still the fraudulent foreclosure
17 sale went through auction. I reported this and
18 there's no lien on the property. I reported this to
19 the DA. Of course, they don't want to deal with it.
20 There's too much favoritism going on and too much
21 under-under table [bell]. Uh-uh, yeah the judges are
22 not doing their jobs. They're ignoring. After all
23 this, they sent to Housing Court, brought us in there
24 to take us out of our own home. They got a judgment
25 against us, and I keep on showing them over and over

1 I have the last deed to the property. I showed them
2 a certified raised seal of the deed, and they totally
3 ignored it. Um, I got so—I had a lot of anxiety
4 attacks because of it, and sleepless nights. At the
5 hearing in court I needed to go the bathroom, and the
6 judge refused to let me go. So, eventually, I just
7 had to go, and I got up, and I slipped, and the—I
8 showed the Councilman where then I was in the ER
9 getting pain killers devastated by the whole thing,
10 and eventually, they put a judgment against me to
11 evict me sort of kidnapped me out of my own home with
12 my deed in my hand and ID identification. I spoke to
13 Farrell's Office, and they said, Look, that's should
14 have been over right there. You have your deed, you
15 have your ID. You've been there since 2003. You owe
16 no taxes, you owe nothing, and that's a problem for
17 the developer—developers when you have a building
18 that you have beautified the neighborhood, and you
19 have homeowners who have took care of their
20 buildings, and that is the building they want to take
21 and steal. I—it's been really tough because they
22 took me in the—the slammer and they held me for three
23 hours and let me go. I didn't see the—see a judge.
24 All they—they came to my house three times before
25

1 that trying to get me—get me out of there. I showed
2 them my ID and my deed, but the third time they
3 couldn't—they couldn't—the third time now they got me
4 out. Um, I am so sorry because when have homeless
5 homeowners, you have homeless tenants, too, and I'm
6 so sorry [crying] I couldn't help them. I'm so sorry
7 the tenants had to suffer because—because they know
8 if they took me out first with the deed, then they
9 could take the tenants because now I'm separated from
10 the house, and never before—before I just had to pay
11 the taxes, too. [sobbing] And now they want me to go
12 into the homeless shelter when I worked so hard. I
13 worked so hard, seven days a week I worked [sobbing]
14 to pay for my home.

16 CHAIRPERSON CORNEGY: This issue is
17 incredibly, incredibly emotional. I understand that.
18 I'd like for you to take some time with my super
19 staff to see if she can be helpful.

20 DEANNE MCDONALD: Yeah, they told me to
21 go into a shelter after I paid all that money. I
22 showed them my tax papers. I showed them my 1040s and
23 this house has been paid for. I showed them
24 everything, and they just ignored it.

2 CHAIRPERSON CORNEGY: What borough are
3 you in?

4 DEANNE MCDONALD: Brooklyn.

5 CHAIRPERSON CORNEGY: Okay.

6 DEANNE MCDONALD: Flatbush the Flatland
7 area is where my home is. I worked so hard for my--
8 for me and my family, and I worked so hard. As a
9 senior citizen every order to show cause that I put
10 into the report, they deny it, deny it, deny it,
11 declined to sign it and they had the sheriff, and
12 besides the, um, the Marshal came into the house.

13 CHAIRPERSON CORNEGY: So, you said that
14 the Brooklyn District Attorney has your case?

15 DEANNE MCDONALD: We--we called them and
16 the just look the other way. So, now I have a
17 criminal case for trespass. How can I trespass on my
18 own property I paid for? I don't understand this.

19 CHAIRPERSON CORNEGY: Let's--let's, um--

20 DEANNE MCDONALD: But they made sure they
21 separate me first because I had the proof of the deed
22 and my ID who I am. Okay, they separate me first--

23 CHAIRPERSON CORNEGY: [interposing] Let's
24 take on an interview.

2 DEANNE MCDONALD: --and then they
3 separated the tenants from the property.

4 CHAIRPERSON CORNEGY: What I'd like to do
5 is see how we can be helpful. I-I know you're--

6 DEANNE MCDONALD: [interposing] And then
7 I look bad.

8 CHAIRPERSON CORNEGY: I really appreciate
9 your testimony, and I can understand how emotional
10 this must be for you and your father, but if you-my-
11 my Chief of Staff is going to take some time with you
12 to see what we can do from this point going forward.

13 DEANNE MCDONALD: Just get back the
14 homeowners who are safe for their homes back. What
15 is so hard about that? What is so hard? We worked
16 so hard for our property. We didn't--when do they want
17 it--when did they want to come to our neighborhood?
18 When they had the crack vials and the needles all
19 over the place and there were no flowers, and there
20 was just ashes in the properties and in winter time
21 you see them, um, putting wood in fire for heat
22 inside these homes that were abandoned. Nobody
23 wanted to step in Bed-Stuy. Did they want to step in
24 Flatbush? They didn't want Brooklyn, but now that we
25 put all our sweat equity, all our money, all our

2 interest into these buildings into the property, put
3 flowers and rose, yellow, blue, green, orange
4 outside. They looked so pretty. It's yummy for them
5 to steal now. I'm tired. Give back these homeowners
6 their homes. We pay taxes, too. Thank you.

7 CHAIRPERSON CORNEGY: Thank you for your
8 testimony. [background comments] Sir.

9 KINGSLEY PALMER: Hello, my name is
10 Kingsley Palmer. I'm going through the same scenario
11 as she's going through. Okay. Citi Bank, um,
12 foreclosed against me, okay about five-five years
13 ago, and during the process of them brought
14 foreclosure, I got a paper that to show that they
15 don't own the mortgage. I brought it and I showed it
16 to the court. They didn't recognize none of that,
17 and during the process another company, a mortgage
18 company took it over, and-and something-one second.
19 M-L-M-Q, but it's the same thing like Goldman-Sachs
20 or something like that. They took it over, and
21 during the course of me going to back and forth to
22 court showing, you know, what's going on, they put my
23 property up for sale, and they said that they sold it
24 or whatever, and when they-when um, [coughs] they
25 sold it, I call the, um, I brought them back into

2 the, um, to the Supreme Court where they are the
3 official court, you know, I mean, you know, from the--
4 from the Court, and during the courses of that Civil
5 Court get an order to evict me. So, the evict me
6 also my [background comments] from my house. They
7 came and they arrest me, you know, [crying] from the,
8 you know me from no point. We, you know me. I have
9 an official court and a stay from judge there, which
10 I know that I don't want to say the word about him,
11 but at least he gave--at least he gave stay. Even to
12 this day, I still have a stay. I'm out of the house
13 at this particular time. They put--they put up an
14 open house sign on the door, right. I have pictures
15 to show you on my phone, right. They took over the
16 property and put a big sign, and that's nothing but
17 disgrace. About six squad cars came, and arrest me--
18 [crying] and it's just--it's just.

19 DEANNE MCDONALD: [interposing] I think
20 we're proving this.

21 KINGSLEY PALMER: Yes. You know, I do
22 construction.

23 DEANNE MCDONALD: [interposing] But with
24 one person.

2 KINGSLEY PALMER: I—I do—I do
3 construction. You know, we have open many times.

4 DEANNE MCDONALD: [interposing] It's
5 crazy.

6 KINGSLEY PALMER: You know, me right.
7 No, you know me. It's over this time I'm working over
8 to Hudson Yard, and at the time I was going through
9 the foreclosure, I was, you know, I was down on my
10 luck, but that modification, I tried modification.
11 That doesn't help, but, you know, nothing, you know
12 that I have, you know me, me and my wife—my wife
13 knows she's staying with friends and we—we are—we are
14 separated even me, you know, form all of this going
15 through back and forth and stuff like that because
16 she work in Brooklyn so and so I thought I beat back
17 the crime, but, you know.

18 CHAIRPERSON CORNEGY: I can't—I can't
19 image what the stress and anxiety is around the loss
20 of a house especially when it's through deed theft
21 and/or deed fraud. I think that the, um, the next
22 major hearing that we're going to have is around deed
23 theft and deed fraud. [background comments] I think
24 that—I think that the DA who I've worked with around
25 deed theft and deed fraud, um, we need to really

2 collaborate on-on that and lien sales. So, I
3 mentioned at the onset of the hearing that are three
4 things that are disproportionately affecting our
5 communities as it relates homeownership. One is the
6 Third Party Transfer Program, and that-that was
7 today's hearing, and we've heard some cases that, you
8 know, were egregious, and then there's deed theft and
9 deed fraud, and the, um, Lien Sale List. When you
10 hear all of those, they sound the same when it's
11 displacing homeowners, and it's-it is absolutely a
12 terrible scourge, and it seems to be focused
13 intentionally on minority communities unfortunately.
14 So, while today's hearing was focused and centered
15 around [woman sobbing] Third Party Transfer, I am
16 acutely aware of the disproportionately negative
17 impact that deed theft is having, and that third
18 party-and that-and that the lien sale is having on
19 this displacements from our properties. So, I-I
20 really want to say that I-I thank you for your
21 testimony. I wish you didn't have to testify about
22 these things. I know that building wealth in this
23 country is generally centered around or the quickest
24 way to doing that through equity in your homes and to
25 be able to be separated from that is a traumatic and

2 has a traumatic impact. We are unfortunately coming
3 to the end of this particular hearing, and your-your-
4 your statements and testimonies are on the record,
5 and we're going to go back with his very staff and
6 really review in the same way that we reviewed the
7 Third Party Transfer Program, look at and give an
8 thorough investigation to deed theft and deed fraud
9 and the Lien Sale List, and how it's impacted in our
10 communities. [woman sobbing]

11 KINGSLEY PALMER: They had an open house,
12 an open house, and I-all my stuff is there. It's on
13 the Internet. Okay, do you believe this?

14 CHAIRPERSON CORNEGY: Is-is the, um, is
15 law enforcement allowing you to go back into the home
16 to get your personal belongings?

17 KINGSLEY PALMER: No because I'm-I'm
18 trespassing. I'm, you know, I'm trespassing.

19 KAREN WAKELY WARD: They're homeless.
20 They're homeless right now --

21 KINGSLEY PALMER: Yes.

22 KAREN WAKELY WARD: --and we-she has a
23 criminal court.

24

25

2 KINGSLEY PALMER: Yes, because they work,
3 you know, they're working with the cops to-to-because
4 they, you know, to-to-to get what they have to do.

5 CHAIRPERSON CORNEGY: Unfortunately, in
6 this particular hearing-

7 DEANNE MCDONALD: It's a racketeering
8 organization.

9 CHAIRPERSON CORNEGY: --although I'm
10 hearing it, and I can understand the impact--

11 DEANNE MCDONALD: We're with you, we're
12 with you.

13 CHAIRPERSON CORNEGY: --but I swear that
14 we are unable to deal with that at this hearing and I
15 apologize for that--

16 DEANNE MCDONALD: [interposing] It's an
17 LLC, the lawyer is bringing an LLC.

18 CHAIRPERSON CORNEGY: --but I also
19 understand the impact that it's having on yourself
20 and your families. I really want to thank you for
21 your testimony, and I can assure you that we will
22 follow up

23 DEANNE MCDONALD: [interposing] That
24 notice was except for the gas payment.

2 CHAIRPERSON CORNEGY: with subsequent
3 hearing that deals directly with deed theft and deed
4 fraud. So, thank you for your testimony.

5 DEANNE MCDONALD: [crying] You pay for
6 your house and it's taken.

7 KAREN WAKELY WARD: Well, you're helping
8 as it is.

9 DEANNE MCDONALD: [crying] Thank you for
10 listening.

11 CHAIRPERSON CORNEGY: No, I said we are—
12 we're going to absolutely follow up on what she's
13 identified as deed theft and deed fraud, and what
14 he's identified as deed theft and deed fraud.

15 KAREN WAKELY WARD: She's homeless, she's
16 homeless. We're in court.

17 CHAIRPERSON CORNEGY: This hearing is
18 about Third Party Transfer unfortunately.

19 KAREN WAKELY WARD: But this is the Third
20 Party Bank of Assignment on this deed.

21 CHAIRPERSON CORNEGY: I—listen, this was
22 a—this—let me explain how these hearing work so you
23 understand. This was an oversight hearing to get to
24 the nitty gritty, and what we've disclosed and
25 understand today is that that program has not work

2 for certain homeowners. So, the outcome of today's
3 hearing was to really get an understanding of that
4 program and whether it works or not, and we dissected
5 that program in an way to see that there are parts of
6 that program that absolutely don't work.

7 KAREN WAKELY WARD: And can I say this?
8 We all have—we all have a satisfaction of the
9 mortgage and we don't have any liens and the judges
10 and the lawyers and the banks know how to play this
11 game. They still come at us, and we--

12 CHAIRPERSON CORNEGY: The same way we had
13 oversight over Third Party Transfer, we are going to
14 do an oversight hearing over what you've just
15 mentioned. What I'm saying is that just wasn't for
16 today. I apologize, that today's hearing as it went
17 out today was focused, and it's intent was around
18 Third Party Transfer. That doesn't mean we don't
19 care about you're mentioning here don't.

20 KAREN WAKELY WARD: I didn't say you
21 don't but the protection, when we're leaving here we
22 still feel open and vulnerable because we don't know
23 where we're going.

24 CHAIRPERSON CORNEGY: Did you—you came
25 today for Third Party Transfer?

2 KAREN WAKELY WARD: This all correlates
3 together.

4 CHAIRPERSON CORNEGY: Did you come today
5 for Third Party Transfer?

6 KAREN WAKELY WARD: Yes, I did.

7 CHAIRPERSON CORNEGY: And you're not
8 satisfied with what we disclosed?

9 KAREN WAKELY WARD: I'm satisfied, but I
10 just need to know leaving here today because--

11 CHAIRPERSON CORNEGY: Yes.

12 KAREN WAKELY WARD: --I was at the
13 Borough Hall, leaving here today, thorough, they did
14 an investigation, and we're still on our own.

15 CHAIRPERSON CORNEGY:

16 DEANNE MCDONALD: It's all connected.

17 KAREN WAKELY WARD: But we're still on
18 our own when we leave here. [background comments]

19 CHAIRPERSON CORNEGY: So, because there
20 is an organization, is anyone still here from Legal
21 Aid Society.

22 DEANNE MCDONALD: They don't do nothin'

23 CHAIRPERSON CORNEGY: I-I have to use the
24 tools at my disposal. Listen, listen, I understand
25 that you have to be under tremendous stress and

1 duress and duress. I, unfortunately and my powers are
2 oversight over HPD, and their Third Party Transfer
3 Program.
4

5 DEANNE MCDONALD: They won't even contact
6 you when you're on foreclosure. They don't even say
7 how are you doing?

8 CHAIRPERSON CORNEGY: I want to make
9 sure—I want to—I want to—I want to, um, kind of
10 temper what your expectations of today's hearing
11 were. Now, I understand that you're passionate, and
12 you're emotions are worthy of listening to, which we
13 did today. Now, we go back and assess what we heard
14 today and plan a court of act—a course of action that
15 deals directly with that. I understand you want
16 immediate action to take place. Unfortunately,
17 that's not what today's hearing was for. Today's
18 hearing was to dissect that program, and then regroup
19 within our working group to make sure that this never
20 happens to anybody else, and to look at the—in
21 retrospect, and begin to make some of the changes
22 necessary. I'm sorry if your expectation that you
23 would walk away. I wish that I could say something
24 magical to make you feel better. That I—that I can't
25 do today, but I will say that I have tremendous

2 empathy for what yourself and your family and
3 everybody that's testified here today, and I can
4 assure you that I will take that same passion and go
5 back and review this program, the Third Party
6 Transfer Program, and begin to prepare some steps
7 toward deed theft and deed fraud, and the lien sale,
8 which—which I'm not trying to separate. I'm must
9 saying today's focus was on Third Party Transfer.

10 KAREN WAKELY WARD: I just need somebody
11 to really keep an eye right now with Judge Deer and
12 that whole home that-theft and fraud--

13 CHAIRPERSON CORNEGY: [interposing]
14 Myself and my state colleagues have had this
15 conversation on several occasions.

16 KAREN WAKELY WARD: --in that department
17 down there.

18 CHAIRPERSON CORNEGY: Thank you so much
19 for your testimony.

20 KAREN WAKELY WARD: And this reckless
21 (sic) lawyer.

22 CHAIRPERSON CORNEGY: Thank you.

23 KAREN WAKELY WARD: Thank you time.

24 CHAIRPERSON CORNEGY: Thank you.

2 KAREN WAKELY WARD: Thank you all. Thank
3 you.

4 CHAIRPERSON CORNEGY: We have one-one
5 last panel. I'd like to call Greg Waltman, Samonas
6 Harris, and Mr. T. Wright. [background comments]
7 What's your name. Can you just do another one for
8 me, and I'll get you right up. [background comments]
9 Just make sure that you do it right now. [background
10 comments] No, just go. [background comments/pause]
11 I want to for the record acknowledge that my
12 colleague Kalman Yeger has stayed this entire time,
13 and I appreciate that. [applause]

14 COUNCIL MEMBER YEGER: Thank you.

15 CHAIRPERSON CORNEGY: You didn't have to
16 do that.

17 COUNCIL MEMBER YEGER: It's okay.

18 [audience member shouting]

19 CHAIRPERSON CORNEGY: So, I'm going to
20 ask that you to remember to state your name in full
21 before your testimony. Press the button, and when
22 the red light illuminates, that means it is your time
23 to speak, and we can begin whenever you're ready.

24 GREG WALTMAN: Thank you Chair Cornegy,
25 Chair Yeger, General Counsel. Greg Waltman, G1

2 Quantum Clean Energy Company also specializes in
3 other types of proprietary innovation. The heartfelt
4 testimony today to—it was just, you know, void of the
5 HPD, TPT and—and these types of organizations. You
6 know, it seems like TPT they were—they were speaking
7 a completely different language than the people that
8 were testifying, and when you have that type of
9 language barrier and no resources to address it,
10 parsing down the Green New Deal scams and those
11 narratives of wind farms to actually get the solar
12 panels on their wall and the application and
13 originating the contracts from New York become vital
14 to restructuring the Council's budgetary concerns as
15 it pertains to Legal Aid having the resources to
16 address these issues. So, I—I just wanted to—I know
17 I'm parsing that altogether there, but on the end of
18 JP Morgan, Chase and improperly formed bench trial
19 monopolies, and I've seen how this all works, and—and
20 for these people to suffer, and to go through the
21 hardship that they have, it just isn't appropriate
22 and obviously we have the capability to address it,
23 and I remain steadfast in a promise to the Council to
24 execute on that obligation as it pertains to the
25 solar wall and it's reapplication. Thank you.

2 CHAIRPERSON CORNEGY: Thank you.

3 T. WRIGHT: Uh, yes. My name T. Wright.

4 My grandmother was 86 years old. She owned a house
5 since 1959 until predatory lender that was basically
6 stealing her mortgage payments Free Martin Littan.
7 There was a mortgage company a broker at Platinum
8 Mortgage said that they were refinancing to give us a
9 seller, a buyer that would buy the house, and then
10 sell it back it us. It became a class action
11 lawsuit, of which there were court orders made by
12 Karen Smith. Karen Smith appointed me the point
13 person for the 63 other people that had their homes
14 stolen. I got in contact with Eric Adam, Akeem
15 Jeffries and Cameron (sic) Cameron, and they all gave
16 me letters of support. Because I was made the point
17 person, advocated for the ones who had their homes
18 stolen. My case was subsequently moved from the
19 class action lawsuit, and move to judgmental sealing
20 for over seven years being adjourned. I fought for
21 \$50 million in judicial relief to the administrative
22 judge, Judge Milton Single who was then made a County
23 Clerk, and the case was transferred again. This case
24 has went from 111th Street, 80 Center Street, 60
25 Center Street back to 80 Center Street, back to 60

Center Street, 360 Adams, 141 Livingston Street, and
before [bell] 17 judges in which there are court
orders, which they are violating. I had to in turn
put in to foreclosure on the bankruptcy court in
order to stop the mortgage fraud case. There are
court orders that are final judgments against the
straw buyer and they do go (sic) down there, and also
all the banks in the boroughs. The Department of
Justice arrested the lawyer that they gave my
grandmother, the Department of Justice arrested the
broker that they gave my grandmother. Also when the
straw buyer sold my house in 2014, I made the
Department of Justice aware, and which they said that
all of the straw buyers including McDaniels was
suppose to be arrested by the DA's Office, but was
not, and asked me to go to Kenneth Thompson. Kenneth
Thompson would have these people arrested. I went to
Kenneth Thompson, Mr. Farrell (sp?) the DA was going
to join the investigation with the Manhattan
attorney, but I haven't heard from him since 2015.
It's just funny that Judge Deer, um, did not give the
matter a stay, and they was arrested and taken out
her home. They tried to arrest me as well, but
through the grace of God, people see what's going on

2 and intervened and stopped it. This article—there's
3 an Article 64 to take people's homes, which is of the
4 black and some of the foreclosure. It's very ironic
5 that all Judge Deer's foreclosures, all these and the
6 law that they just put out, S-1668-S deals with deed
7 theft, and that's what Eric Adams, Mr. Montgomery and
8 Tremain Wright, the same last name as mine. So, I
9 was just wondering when you go to court, and your
10 case is adjourned for seven years, and you go to
11 court and you have judgments against the mortgage
12 companies, you have foreclosures against the straw
13 buyer, but yet they still give them court orders and
14 legally evicting me out of my home. I've been
15 fighting since 2005, and my grandmother died behind
16 this mortgage fraud. Under the conspiracy law, if a
17 person does behind a conspiracy, the people involved
18 can be put to death, and that's by law. I don't know
19 where—where can you go? I went to the Mayor
20 Department. The Mayor knows about this, Deputy
21 Commission, Attorney General, DA's Office, Jmaane. I
22 went all over even this—you go to, um, the one where
23 they give you a pro bono lawyer. He was a lawyer for
24 ten years doing real estate. On Monday, he's a
25 criminal lawyer. He can't take my case. I paid a

2 lawyer in the beginning of this to take care of the
3 case, he dropped the case. I have to put in motions
4 myself in 2007 to now, and even with court orders
5 against them, even with foreclosure against them,
6 even with the FBI and the Department of Justice
7 arresting people, and I have these orders, and I have
8 these FBI paperwork at the Department of Justice and
9 present them in court, and nothing happens, but what
10 does happen is the opposing side get an legal
11 eviction to evict me out of my home. Bankruptcy
12 court, done that, too. Every court you name in New
13 York City I've been there for almost 14 years, and
14 yes, it's a conspiracy. These—all these entities
15 work together the banks, the lawyers, the judges,
16 they're all complicit in it. It's completely obvious
17 and simple. If you have paperwork that people are
18 doing corruption, why would the judges allow them to
19 get court orders in their name. If you have \$1.5
20 million house and somebody is coming after your
21 house, and they don't have any rights to it, why do
22 you think they're coming there. Because it's worth
23 \$1.5 million. It's a point blank case. It's all about
24 money, period. TPT, Third Party Transfer, no that's
25 third party theft. That's what it is. It's out to

2 steal black people's homes period. It's not to help
3 anybody. Who is it helping? They're investors,
4 helping investors to get all these different loans,
5 but the homeowners can't. Why it on HUD giving these
6 people all these preferential documentations, and all
7 these contracts to just one certain person without
8 any bid? It's obvious. It's obvious. I would like
9 to give my back—my numbers ranging back in 2005.

10 CHAIRPERSON CORNEGY: Wait. Did you
11 submit that to me?

12 T. WRIGHT: Yes, I submitted it.

13 CHAIRPERSON CORNEGY: So, you don't have
14 to—you don't have read all of that. Thank you, Thank
15 you.

16 T. WRIGHT: Thank you.

17 CHAIRPERSON CORNEGY: Thank you so much
18 for your testimony.

19 SOMANA HARRIS: I say good evening to
20 everyone. Yes, um, I am—my name is Somana Harris. I
21 am the property owner of 1782 North Strand Avenue
22 since 1997 to present, and I will say present because
23 nobody will get my home. I refinanced this property
24 with Flushing Savings Bank in 2004, and—and—and I had
25 this loan with Flushing for over 10 years, and I was

1 never in arrears. Then after Hurricane Sandy, I was
2 never in arrears. So, Hurricane Sandy came and gave
3 them a good reason to try and scam me. So after
4 Hurricane, I was hounded by Flushing Savings Bank.
5 Flushing Savings Bank so, they're hounding me and
6 telling me that, um, they are offering deferred
7 payments to all their clients, and they're offering
8 them two months to a year. [bell] I told them I
9 didn't want it, but they never--the will never leave
10 me. I couldn't understand why, and my mom was sick
11 in Canada, and I want to go off. So, I said I don't
12 want to make any problems when I'm away. So, I took
13 two months. That was a big mistake. They gave me an
14 agreement that I was supposed to pay the two months
15 divided into six parts over a period of six months,
16 one-sixth of the two months on each month, but
17 automatically or willfully, they never put the amount
18 that I paid. How much this monthly payment was never
19 included in the agreement. So, I tried to call the
20 bank. I thought I was really scammed. I could never
21 find the person who gave me the agreement. We have
22 it in writing. It's notarized and everything. I
23 could not find the person. I'm not even going from
24 my script because I'm trying to cut short. Okay,
25

1 finally after three months I started making time and a
2 half what I usually make because I don't want to get
3 messed up now. So, I'm figuring let me make extra
4 payments so that when I find this person or this
5 person surfaced or resurfaced, I will have good money
6 there to cover extra month. Okay, this person
7 resurfaced after three months, and he sent me an
8 email stating that Ms. Harris, you are in current
9 standing with your new agreement, and you have three
10 payments lefts. That three out of the six. I felt
11 very good. Then he disappeared again. I couldn't
12 find him, and nobody in the bank no matter how many
13 calls you make and who you talk to nobody seemed to
14 know anything about this agreement. Nobody, but my
15 property was marked to be taken, and they were going
16 to use Hurricane Sandy. They are not carded, but
17 they are going to use Hurricane Sandy for offer me an
18 agreement because I was never in arrears, had nothing
19 in arrears that they could get me for. So, then they
20 plot this one, and everybody on my block right now
21 most of them their buildings are gone. I am standing
22 because I've been fighting. I started out with
23 attorneys, and they said, Oh, you are overwhelming
24 evidence. This is one, two, three. Then I noticed
25

1 they're holding hands, then they're going for lunch
2 with the attorney representing the bank, and then a
3 court order was thrown on case. So, I had to dismiss
4 several of them. Okay, I continued until they—they
5 now—we went into court. They did a pre-foreclosure,
6 illegal pre-foreclosure, and before that I went to
7 the bank, and I spoke with the head person there, and
8 he told me that he was going to look into my case
9 because he couldn't understand why I paid so much
10 money, and I'm facing foreclosure, and he was very
11 happy that we came and did not do anything bad or
12 anything like that. Then I got scared because that
13 me and a lot of other people had been coming there
14 and cursing them out for the same thing. So, I was
15 really scared then. He said he would look into my
16 case, and he would correct it and get back to me, and
17 the person who offered me the agreement was not
18 there. He said he made a lot of mistakes on other
19 people's mortgages, and he's not there any more, and
20 that is Christopher Row (sic) and the main one, um,
21 Thomas River (sic) he is the main person who was in
22 charge. After that meeting, but at the meeting where
23 I had a witness, and he brought his secretary inside
24 the meeting room, he was only interested to tell me
25

2 how much equity is in my property, and that I need to
3 sell because I have a lot of equity, and he could
4 provide me with good buyers. I said I'm not
5 interested. I'm not interested. I've been using my
6 [bell] property with my community with college mates,
7 with their children so that they leave them into
8 corners or with people who cannot take care of them,
9 and they get killed. So they brought them to me.
10 So, um, I believe that they did the pre-foreclosure
11 so they had me in court. I went into court. The
12 judge said, I don't see. Ms. Harris overpaid her
13 mortgage. So, why is she here? I see where she made
14 extra payments, and she have a lot of money down.
15 Anyway that—she said, um, mediator in a meeting. I
16 got a call from the mediator, there's a meeting while
17 the bank and everybody was already there even though
18 the judge said I was to make sure I was there, and I
19 kept calling the mediator. He never responded to me,
20 but they made a meeting, and they met with the bank
21 behind my back. So, I, you know, I made sure that we
22 had another meeting—we had another arrangement for
23 another meeting. So, I was at that meeting. At that
24 meeting they came with a new and doctored agreement.
25 This agreement is not for two months, but it is over

2 a period of six months. This agreement was an
3 agreement that you wouldn't pay for July and August,
4 but you start paying in September, but what they did
5 when they got the payments they didn't have the
6 difference because they placed payment in July,
7 August, [bell] September. So, you know that
8 something is going to be wrong right there. Because
9 the two months that should have been blank they fill
10 them in with payments, and they're getting all this
11 extra money, and every month they had me, um, with
12 collections. So, I couldn't understand what is
13 happening, but, anyway, I made the payments, and went
14 to the mediation, and they brought a new agreement
15 for three months to be paid back over a period of 12
16 months. Now, they got caught right there because
17 they had—now they had merged the first agreement with
18 the second agreement. They doctored the agreement,
19 and they signed for me. So, I went ahead and one
20 extra judge told me to get a certified CPA accountant
21 to go to and we did that, and we did the forensics.
22 So, everything came back where I never owed them any
23 money and the first agreement, which I signed, the
24 second I knew nothing of. I didn't owe them on
25 anything on that either. So, they went in, but

2 people with money and power they do what they have to
3 do. So, um, so after that they, um—one moment. The
4 mediator had a meeting where they said they would let
5 me pay off the extra money for the months that were
6 missed. That came naught. Never heard anything of
7 it after that, and they finally met with the judge
8 and they used their power and their money, and they
9 have foreclosed on me for \$891.19, and I had even
10 offered to pay the off, the new mortgage. They
11 wouldn't accept it because I have equity in my
12 property, and I am not worthy to have my property so
13 I must sell it, sell it because that was their aim,
14 [bell] I would not so they decided to punish me. So,
15 I had another property with Flushing Bank, and they
16 just went ahead and started doing some bogus business
17 that property also that was not in arrears. So they
18 sent me a payment—um, a letter that that property
19 also, with water and soil. Now, whether they used
20 the people to mess that up, I don't know but when I
21 called DEP they found that there was a leak. So, the
22 person in the restaurant his bill was huge so he had
23 stopped making the payments because we had made an
24 agreement so he would make the payments, but that
25 wasn't from that location. Okay, so I paid this. I

1 asked for escrow the payments over a year. They
2 wouldn't. They demanded three payments. So, I paid
3 them for the couple months now that that property was
4 in arrears and I paid them all the water bill,
5 \$43,000 in total, and they got all of it. Then they
6 were showed us how the escrow like how they worked it
7 out We never got anything. They still had me in
8 foreclosure, and without getting foreclosure, they
9 foreclosed. They changed my deed. I'm not worried
10 about that because I know I must get that back. I'm
11 not even worried about that. [bell] I'm going to
12 move on because after that with the first property
13 1782, I got in it and a friend of mine said I lost my
14 daughter, and she left a 4-year-old little girl very
15 traumatized because she witnessed a murder, and
16 meanwhile I was grieving, everybody came to scam me.
17 I could write books. I can call names. I have all
18 my records. I silently in my grief made sure I
19 documented every and collected everything. So, um,
20 this person call herself a pastor, but I realized
21 after putting the chips together this person also
22 came in and took me to this attorney Audrie A.
23 Thomas, and she was supposed to file a lawsuit
24 against Flushing Bank for this fraudulent forgery and
25

1 all the wrongdoings, and it's a pretty terrible thing
2 the, and she didn't do that. She wait until the
3 possibility she was filing a lawsuit, she waited
4 until the last moment. She, um, put me in
5 bankruptcy. She knew nothing about bankruptcy or how
6 to file a bankruptcy. I picked that up so clearly
7 right there, and, um, and that's what she did, but
8 one property because I had some properties under my
9 name. I help other people to get properties, like
10 family properties. They didn't move them from
11 underneath there. They know never take a dollar out
12 of if I could give them one or two. So, they
13 trusted, and that has been helping me up to now. So,
14 this attorney she did not file the lawsuit. She put
15 me in bankruptcy. She had a great massive plan, and,
16 oh, wow, it was going to hang her high in Namon and
17 the gallows. Okay, so she—the property she wanted
18 no, which is a double property with a church or it's
19 all with the—by thousands and renovated this
20 property. She didn't put that one into bankruptcy.
21 I'm grieving now. Sometimes I'm just crying without
22 even knowing that I'm crying because--

24 CHAIRPERSON CORNEGY: [interposing] Wait—
25 I'm—I'm trying to follow you, but is this a—is the

1 second property a Third Party Transfer property or is
2
3 it the--

4 SOMANA HARRIS: Flushing now have changed
5 the deed, um, referee's dee because they got the in
6 rem, and I realized what those are. They didn't
7 know. I didn't expose my knowledge. So, they didn't
8 know that I was sensible or anything like that.
9 They're going to take this woman's properties. So, I--
10 I watched them do what they had to do, but I warned
11 them. So, they went ahead and they used referee
12 speed and change the two properties under Flushing,
13 and I had a corp prop so they wanted everything. I
14 heard that this woman have these properties, and
15 they're going to take them. So, um--

16 CHAIRPERSON CORNEGY: So, I don't want to
17 rush you, but we have a few more people.

18 SOMANA HARRIS: And I just want to get to
19 this part because I have something coming up this
20 week, which I want you all to know. So, she moved
21 into that property. She broke the locks. The night
22 she was moving into my property she had me in her
23 office until like wee in the morning hours making
24 excuses, and we saw--I saw my life flash before me
25 that there were young guys who are supposed to kill

2 us myself, Howie and my little 4-year-old
3 granddaughter who lost her mom who was grieving and
4 she's still traumatized. So, we're running to the
5 doctor to take care of everything, and had us in her
6 office alone at night, and we're there working on her
7 because we're not thinking people are so crazy to do
8 these things, and we got home, but when I said, My
9 God, you saved my life tonight. Okay, she moved in
10 and she broke the locks. She had us in the office so
11 we would not be in Brooklyn, we will be in Queens at
12 her office so that when she have her stuff, move in
13 her stuff because she was being evicted from one
14 office from where she was living. She had no clients
15 because she had been scamming a lot of people, but I
16 didn't know that, and I don't think the lady who took
17 me to her knew that. So, she broke and entered
18 another property now on Rogers Avenue and took it
19 over. When the police came after, her daughters told
20 them that she rented the upstairs, and the police
21 came and said okay look at the first floor and the
22 basement. She made herself a 20-years lease with
23 phantom names on it, and the worst part about it,
24 which really hurt, and I don't want to start crying
25 today because I've been hurting for a long, long

1
2 time. We went to the Attorney General. We were sent
3 because crimes are committed, and they said take to
4 the DA's Office and lo and behold, the very person
5 that signs up the case was the one working with this
6 woman. She was Deputy (sic) for the DA's Office, and
7 they were helping her. So, I couldn't get any
8 justice there because they had the 20-years lease
9 from day one, which I could not see. I got a glimpse
10 of it from the Grievance Committee, and realized that
11 this woman made her company Strength of Woman, the
12 owner. So, when we filed paper in Landlord Court
13 because we got no just there even though they're
14 doing drugs, the woman is sleeping in my bed, all my
15 belongings are in this building. My building is--

16 CHAIRPERSON CORNEGY: [interposing] Let-
17 let-let me ask you-let me ask you, outside of a very
18 heart wrenching testimony, is there something that
19 you think from a City Council perspective and from a
20 Committee of Housing and Buildings perspective that I
21 can do?

22 T. WRIGHT: Yes.

23 CHAIRPERSON CORNEGY: Can-can she answer,
24 please?

25

2 CHAIRPERSON CORNEGY: Can I—can she
3 answer? Please.

4 T. WRIGHT: Yes

5 SOMANA HARRIS: But I just want to give
6 these last things. I'm finishing right now as I'm
7 cutting it really short. I have this attorney on
8 Thursday to be evicted. We've got the eviction in
9 the courts in one month because it was so clear that
10 the person's name who she put on her 20-years lease
11 was not going to pay any rent or mortgage or anything
12 sleeping in my bed, using my fridge and my
13 everything, using my house for catering and for
14 everything. She did not even do her research and get
15 a right name on it. We have our corporation papers.
16 I have my deed and she's telling them because she's
17 an attorney and will use her pro bono authority that
18 she's the owner, and my case would come to nothing.
19 This is the part, my case would come to nothing
20 because she knew people like Trump in high positions
21 and in all—with authority, and my case would come to—
22 I said no. Watch me, and, um, so Michael Spinak, of
23 course, is the main one who has been defending or
24 everybody would have helped me a long time, and clear
25 all these up because she has tainted all my property.

2 What she was doing as under the table. Allegedly,
3 she boast about it. There are her words: Taking
4 money from the banks on my properties and selling me
5 out so I was supposed to lose everything, and she
6 told me, You're going to lose everything, and you
7 have a lot to lose if you don't work with me and let
8 me stay in your place.

9 CHAIRPERSON CORNEGY: [interposing] Tell
10 me, please tell me how I can help you?

11 SOMANA HARRIS: [laughs] There are so
12 many angles, there are so many angles.

13 CHAIRPERSON CORNEGY: So, let me do this,
14 in the interest of time I will meet with you at the
15 end of this, and we'll figure our how I can be
16 helpful.

17 SOMANA HARRIS: Yeah, but the best part,
18 one last word. She--she said it's a

19 CHAIRPERSON CORNEGY: [interposing] I
20 don't want you to give one last word because there
21 are several other people who would like to speak.

22 SOMANA HARRIS: She leave this scourge
23 and she has been just--

24 CHAIRPERSON CORNEGY: Thank you.

25 SOMANA HARRIS: Alright.

2 CHAIRPERSON CORNEGY: Thank you for your
3 time.

4 SOMANA HARRIS: I didn't the final, she's
5 disbarred.

6 CHAIRPERSON CORNEGY: I'm going to get a
7 final with you later.

8 SOMANA HARRIS: Yes. Okay. [background
9 comments]

10 TIO CHINO: Thank you, good-good evening.

11 CHAIRPERSON CORNEGY: Good evening.

12 TIO CHINO: Well, um, you didn't pick up
13 my notice for the-the Council testimony. So, my name
14 is TIO Chino (sp?). I'm a third resident-third
15 generation resident of 640 Riverside Drive, 640 and
16 640 Riverside Drive are HPD UHAB Poster Boy building
17 for the TPT Program since 2000. We are on their
18 literature up there. Look at the success of the TPT
19 program. 640 and 640 Riverside Drive are it. We
20 entered the TPP program in 2003. Our building is 32
21 BJ our super live in premise. He's been very good to
22 our employees, and form 2003 to 2019, I was on the
23 Tenant Association Board. My task was to come to the
24 Monthly Management Report. So in my-in my packet
25 here you will find a summary of the Management Report

1 from 2000 to about 2017. Getting those monthly
2 reports from UHAB was a pain. They were supposed to
3 send it to us on a monthly basis. Basically, I had
4 to beg for them to send them to us, and they would
5 come in every six months in batches of six or seven
6 if I was lucky. Our sponsor UHAB has used every trick
7 in the book to hide their incompetence. The tenants
8 are too difficult, the tenants are not cohesive, the
9 tenants are not united. The tenants are not
10 listening. That's what we've been hearing for 16
11 years. We have been blamed for everything. Yes, we
12 are challenging, but not unreasonable. Every time
13 they came with a new proposal we looked at it, we
14 debated, we discussed it and we gave them answers.
15 The one they didn't like, they ignore it. For 30
16 years before you have come into the picture we have
17 lived and banded together to make the best of our
18 community. You've heard many tenants here who had
19 the same similar story throughout New York. Three
20 minutes is really too short to go over 17 years worth
21 of lies. So, this is about HPD and the total lack
22 of-total lack of oversight over the TPT Program. So
23 we approached our Councilman Mark Levine when he took
24 office on the first day. I mean we have thank Robert
25

2 Jackson for his help so we went to Mark Levine. We
3 have all details, and he knew exactly what the
4 situation was with HPD that has done nothing but lip
5 service. You should have known that something was
6 amiss with HPD and could have launched a deep
7 investigation a long time ago, 4, 5, 6 years ago. I
8 even went to Councilman Torres when I met him in the
9 street outside the Alexandro Castro event, and I told
10 him I need your help because we have a problem with
11 HPD. Instead of—instead it took HPD literally
12 stealing buildings from rightful owners to have
13 something happen today. We are here because HPD went
14 as far as stealing buildings. We were not—we're not
15 in that case. We have good things to say about TPT,
16 but I will skip it because well... In July 2018, the
17 lack of oversight was so blatant, it was so blatantly
18 apparent because we notify our sponsor and HPD that
19 one of the board members and previous president was
20 renting his room on Airbnb, and paying and nothing
21 happened. He was paying for a house in Connecticut,
22 and he's still in the building as a land—as the
23 rightful land-tenant. Our sponsor claimed that we
24 were losing money. However, the Management Report
25 does not show that. Either UHAB was giving us false

1 management reports or UHAB is unable to decipher
2 their own statement. Either way, they're lying. It's
3 true that in 2003, we were burning about \$20,000 a
4 month in cash, and the rent collection did not enable
5 us to manage the building effectively. This is not
6 due because of the rent roll. It's simply because we
7 were in various rent strikes. You have an HPD who
8 already refused to sit down, and go over the line
9 items of those maintenance reports. They always
10 claimed that the building was losing money through
11 the report. In 2013, 640 Riverside Drive Tenant
12 Association sent 41 questions to HPD. You have them
13 in the packet. We're still waiting for an answer.
14 That was, um, no, 2018. I'm sorry. On June 15,
15 2018, the tenants get together and sent them 41
16 questions where they gave us about less that two
17 weeks to get together. So, that was one. How many
18 hard-working New Yorkers have invested in HFDC
19 apartments coming out of the TPT Program, and have
20 lost their investment. We heard it today. How many
21 of those buildings are in foreclosure today, and
22 returning to the TPT Program? The City Council is
23 generally one to investigate the TPT Program. I am
24 available to lead or participate in any investigating
25

2 committee the Council would like to form to answer
3 those questions. The link of all the documents is
4 available on my Twitter feeder at Tio Chino. I'm
5 available to take any questions of any—I only have
6 one Councilman in front of me, Mr. Cornegy.

7 CHAIRPERSON CORNEGY: [off mic] So there
8 are no minutes.

9 TIO CHINO: [laughs] Yes, I think. So,
10 if you have any questions on my knowledge of--

11 CHAIRPERSON CORNEGY: [interposing] I—I-I
12 don't have any questions for this hearing, but I
13 would like to sit with you going forward to see if we
14 can. Listen, as my only goal is the goal is to make
15 sure that both homeowners and tenants are protected
16 under the Third Party Transfer Program, and it's not
17 disproportionately a program that transfers
18 homeownership arbitrarily to—to a tenancy, right so--

19 TIO CHINO: Right, we agree and I mean
20 Dellwood was our—our—our contractor. Now we have NDG
21 our contractor who came up seven years ago saying we
22 were going to do some work a certain, and now it's
23 like a complete change of—change of scope of work.
24 We said that well it's a beautiful building. We're
25 not going to do sheetrock. We're not going to do

1 sprinkler. We are going to do this and that
2
3 according to the rules, and now it's like everything
4 has been sheetrocked, they wanted to get us to do an-
5 and sprinkler system. I know it's a controversial
6 one, but the idea was the discussion was one way, and
7 Nelson here was part of the discussion, and I have to
8 say that they have been there. HPD been there, but
9 they have been listening. That's what I have to say.
10 Thank you very much for your time.

11 CHAIRPERSON CORNEGY: Thank you, thank
12 you for your testimony, and thank you for your hard
13 work.

14 TIO CHINO: Thank you.

15 CHAIRPERSON CORNEGY: Yes.

16 ANNIE WILSON: Hi. I'm Annie Wilson, and,
17 um, I'm speaking on a parallel with the Third Party
18 Transfer Program that involves and HPD building.
19 UHAB unfortunately has failed their mission. I had
20 been a tenant organizer that led the building to
21 becoming a part of the UHAB program along with other
22 buildings as part of a live-in building parcel in
23 2018. I've been residing there since 1984, and I was
24 looking forward to the renovation of the building
25 given that of the 11 buidings this building had the

1 least amount to be done around \$160,000 in scope of
2 work and then around \$100,000 more for the weight
3 station program. Well, to fast forward, there's
4 been \$6 million spent on the renovation. In the past
5 two years, the building was flipped into a Third
6 Party Transfer, but as of the HPD Program, but into
7 the Inclusionary Zoning Program, and, um, a developer
8 was selected without a bidding process, [bell] and
9 our building had been once the most viable of all
10 the—all the buildings in the program, and there was a
11 fire in 2004. [coughs] UHAB kept the insurance
12 money, and there was an enormous amount of decay in
13 the building and disruption for the Tenants
14 Association by the activities by UHAB, and their
15 preference for a particular family. So,
16 unfortunately, I have to say that I do believe that
17 they promoted as much deterioration as possible to
18 benefit from whatever their percentage, from whatever
19 loan and so forth. So, come 2014-2015, with the
20 vacate order that our Tenant's Union had corrected
21 the violation towards, UHAB refused to process a
22 removal of the vacate order as owner/sponsor, and
23 that is when we were told, oh, well, you have these
24 debts coming in now, we're going to like have to
25

1 foreclose on the building that we have this developer
2 who's going to come in and save the day, and renovate
3 everything. You all go back. Hey, I was the first
4 person to sign, and, um, moved to a relocation
5 apartment two years later so we're looking at 2016.
6 Uh-oh, problem. We've moved these residents all
7 around up here. We've taken your equity, we took a
8 \$960,000 without stakeholder consent. Oh, really.
9 Called up HPD. Kim Darga, how can you do this? No
10 notice, no consent, \$960,000 in addition to \$5
11 million on this so-called Inclusionary Zoning
12 Program? Well, okay, I don't think that should be
13 allowed and I could go on and on, but the point is at
14 this stage UHAB is suing me, and, um, I have refused
15 to return under the existing conditions under the
16 type of renovations they had completed and the lack
17 of security system as per the scope and, of course,
18 there's the equity issue. So, we went into a
19 negotiation to get a fair arrangement, which included
20 possibly going to another place, and I accepted their
21 arrangements. There were to arrangements last year I
22 had accepted that they took off the table, and then I
23 worked with the developer, and said, well, can we
24 just put in a security system? You know, maybe I'll

1 just go back? And, um, that system has not been
2 installed, and UHAB began to sue me in December.
3 I've had my fifth hearing on Friday, and that flipped
4 to the, um, to the—the trial part. UHAB lawyers at
5 each hearing have been different lawyers that mislead
6 the judge, and in this case they claimed that they
7 had received in the morning an agreement. So, I
8 asked to see this agreement. I couldn't see it.
9 Why? Because all parties had not approved? Well, am
10 I not a party to this? Well, I'd like to see this
11 agreement, anyway the judge was kind of frustrated
12 with having been there already in his part as many
13 times as we had. He flipped it to the next part,
14 and, um, at this stage I'm, um, as for my neighbors,
15 I want to say that my immediate neighbor quit. My
16 neighbor across the hall passed away and during the
17 negotiations. When we talk about racism and the loss
18 of equity, in this building in particular there are
19 four individuals. Three were men of color that lost
20 their equity, and I feel like UHAB has really
21 deceived me. I feel like they are extremely cruel,
22 and I hope that they'll understand that they need to
23 come up with a fair arrangement, keep to their word,
24 and uh, I feel harassed. I've been extremely
25

1 depressed and as that I could end up in a hospital.
2 I mean I can't tell you. This is the only place I
3 had and, um, I'm willing to participate in any type
4 of investigation. I have all my documents. I've
5 kept everything in a semi-order except for all the-
6 some of the recordings and they're in completely, you
7 know. All the hard documents I can provide to you.
8 I'd be very happy to help sketch some kind of policy
9 whereby there is oversight where there is
10 accountability. When there's a problem the residents
11 can go somewhere so we can solve the problems, and
12 before they become larger problems, and, um, I'll
13 leave it at that for now. There are probably other
14 details I wanted to touch on. I did talk about the
15 no bidding. Um, I guess I did cover pretty much all
16 I wanted to say, and I hope you'll want to work with
17 me towards making sure no one ever has to go through
18 anything like this again. Thank you.

20 CHAIRPERSON CORNEGY: Well, as I
21 mentioned, that is clearly my goal and the goal of
22 this committee. I'm-I'm very sorry for what you had
23 to experience through this process, but I will say to
24 you that the information that you've given to me and
25 Tina has given to me on the-on the-on the developer

1 portion of this, um, is—is great insight, and I think
2 that that's something that we're going to take back
3 and really look at oversight over the developers who
4 are a part of the the—these programs that have
5 demonstrated incomplete work, no work at all with—
6 with—with tremendous loans taken our, but quite
7 frankly that's not the first time I heard this as
8 part of the Third Party Transfer as far as HD—HDFC
9 process, and it's incredibly disturbing when we talk
10 about the amount of money that's being leveraged--

11 ANNIE WILSON: Yes.

12 CHAIRPERSON CORNEGY:--to bring things up
13 to a livable standard, and not meeting that. So,
14 there is certainly something we can do for a Council
15 perspective to ensure that—that, you know, that—that
16 people are—the developers are doing that, and you
17 have my commitment to do that. My colleague had to
18 step out, but I'm sure he would give his commitment
19 from the Oversight perspective.

20 ANNIE WILSON: Sir, there's a little
21 detail I wanted to add looking at my notes if you'll
22 let me. Um, with regard to the sales of the units,
23 now that the building has been put into a transition
24 HDFC governance made of UHAB employees. The four
25

1 units that were sold, and this information, um, was
2 disclosed because an elected had managed to get the
3 accounting a couple of months ago, um, for the
4 operation of the building that I have requested so
5 that I can make a better decision, and as it turns
6 out, the four units totaling \$435,087, is not
7 accounted for in the, um, Operating Spreadsheet for
8 the building, and I have since found that UHAB kept
9 that money. I do not think that should be allowed
10 whereby there is a program, whereby the so-called
11 sponsor/developer can actually keep the money from
12 the sales that could have been part of the payback
13 for the \$960,000 loan and, um, the sister building in
14 the program on Tenth Street I hear they did the same
15 thing, and I think I really had to tell you that,
16 and, um, and that there had been also a contract
17 between the, um, Inclusionary Zoning developer, and
18 you UHAB, and when I had met, um, the staff at the-
19 Letitia James' Office when she was the Public
20 Advocate, they could not get that contract. Now,
21 there's some litigation by a couple that were
22 illegally evicted by UHAB, and that particular family
23 in this case is the Dawson Family that were given all
24 these units, and there was a release of the that
25

2 document the contract between UHAB and the
3 Inclusionary zoning developer that, in fact, shows
4 that there was a--an amount of \$845,043 that went to
5 UHAB from BNN, and that contract was October 1, 2015.
6 So, I couldn't get it. Now it's been disclosed, and
7 those are the details I forgot to tell you so thank
8 you.

9 CHAIRPERSON CORNEGY: Well, thank you for
10 that. So, we have one last testimony, and--

11 REV. DR. MICHAEL STORM: And thank you
12 for being here today. [coughs] My name is Reverend
13 Dr. Michael Storm, and--and that, you know, there's a
14 lot has been said about a lot of things going on in
15 our communities that are very, very disheartening to
16 the people that live her, and I have some tips here
17 that I passed on regarding some evidence that big
18 banks are, you know, being, um, their foreclosures
19 are illegal because of they're giving loans, and
20 ownership and enforcement of interest that the
21 modifications are not valid, and the creditors are
22 sealed because the loans, the money that they're
23 giving there's no names on them, and these are being
24 done constantly. Probably not just--I have it here
25 about Kings County, but its's probably not just in

1 Kings County but, you know, many parts of the city
2 that these foreclosures are, you know, are happening
3 to homeowners and, you know, I really appreciate what
4 I've heard today, what you've done with many
5 committee members here today, and I'm—I'm definitely
6 going to get involved with any, uh, committees that
7 are developed to help change these circumstances
8 because they are really devastating and heartbreaking
9 to many of our residents throughout the city of New
10 York and I think you and I commend you all your
11 others for doing what you're doing.

13 CHAIRPERSON CORNEGY: Thank you. So, I
14 want to just say that this was a long hearing, but I
15 think it was well worth it to-to attempt to hear from
16 the—from everyone that we possibly could, and get a
17 better understanding of how HDFCs are working in lieu
18 of actually coming out to every single HDFC. This
19 allows for us not to make that trek, but to hear.
20 So, I'd like to thank the Coalition members that
21 stayed. I'd like to thank all of the—thank all of
22 the advocates, people who are working on the ground
23 to ensure that the quality of life is above standard
24 for people who have chosen HDFCs as a—as a way of
25 life. This hearing demonstrates the city's need to

1 do better. I hope that's what we illustrated with
2 our—I don't want to say interrogation, but with our
3 questioning of HPD. This is not one of those kind of
4 hearings where we did that and we're going to walk
5 away. We're going to go back. I worked with the
6 Office of Investigation, which was a—a grueling
7 process, and as you can see, we were incredibly
8 prepared to address the way that HPD has operated
9 especially around the Third Party Transfer Program.
10 You have my commitment and the commitment from my
11 colleague to go forward and make this right. So, we
12 didn't have the need to be right today. We had the
13 need to make things right, and that's what we
14 committed to going forward. So thank you all for
15 coming. Unfortunately, I had planned to stay around
16 for a little while, but it's gotten so late I have
17 another commitment so I have to run out. That's not
18 a testament to the fact that I am not committed to
19 making sure that the quality of live of residents in
20 HDFCs is above standard. Thank you so much.

22 ANNIE WILSON: Thank you. Oh, this is
23 the part where I say this hearing is adjourned.

24 [gavel].

C E R T I F I C A T E

World Wide Dictation certifies that the foregoing transcript is a true and accurate record of the proceedings. We further certify that there is no relation to any of the parties to this action by blood or marriage, and that there is interest in the outcome of this matter.



Date July 29, 2019