

CITY COUNCIL
CITY OF NEW YORK

----- X

TRANSCRIPT OF THE MINUTES

Of the

HOUSING AND BUILDINGS

----- X

March 9, 2026
Start: 10:41 a.m.
Recess: 2:54 p.m.

HELD AT: COMMITTEE ROOM - CITY HALL

B E F O R E: Pierina Ana Sanchez,
Chairperson

COUNCIL MEMBERS:

Shaun Abreu
Harvey Epstein
Oswald J. Feliz
Crystal Hudson
Rita C. Joseph
Virginia Maloney
Kevin C. Riley
Yusef Salaam
Nantasha M. Williams
Susan Zhuang

A P P E A R A N C E S (CONTINUED)

Rosa Kelly
Chief of Staff
HPD

Lucy Joffe
Deputy Commissioner for Policy and Strategy, HPD

AnnMarie Santiago
Deputy Commissioner for Enforcement and
Neighborhood
Strategies, HPD

Kerry LaBotz
Associate Commissioner for Preservation Finance
and Portfolio
Management, HPD

Albert Kramer
Deputy Commissioner, Customer Services, DEP

Annette Hill
Deputy Commissioner, DOF

Oksana Mironova
CSS NY

Russell Crane
Legal Aid

Robert Desir
Legal Aid

Lacey Tauber
BP Antonio Reynoso

Sonali Govind
ANHD

A P P E A R A N C E S (CONTINUED)

Sal D'Avola
Neighborhood Restore

Melanie Salazar
CNYC

Arielle Hersh
UHAB

Noah Loesburg
Jefferson Arms, HDFC

Will Spisak
New Economy Project

Edward Garcia
Our Bronx

Angelette Woring
Our Bronx

Larmela Garcia
Our Bronx

Juan Carlos Lara
Tenants Association

Todd Baker
Our Bronx

Jakob Schneider
East NY CLT

Paula Segal
Abolish the Tax Lien Sale Coalition

Theo Chino
Self

Michelle Lyons
Self

A P P E A R A N C E S (CONTINUED)

Karen Greenwood
Homeowner Advocate

Sammi Aibinder
Our Bronx

Christopher Leon Johnson
Self

Annie Wilson
Self

1
2 SERGEANT AT ARMS: This is a microphone check on
3 the Committee of Housing and Buildings recorded by
4 James Moreno on March 9th, 2026, in the Committee
5 Room.

6 SERGEANT AT ARMS: Good morning and welcome to
7 today's New York City Council hearing for the
8 Committee on Housing and Buildings. At this time, we
9 ask that you please silence all electronic devices,
10 and at no time are you to approach the dais.

11 If you have any questions or would like to sign
12 up for in-person testimony, please see one of the
13 sergeant-at-arms.

14 Chair Sanchez, we're ready to begin.

15 CHAIRPERSON SANCHEZ: Thank you, Sergeants. Uh,
16 and thank you again for your patience, everyone.

17 [GAVEL]

18 Uh, now on to our oversight topic for today.
19 Before diving into Intro 657, the Safer Homes Act, a
20 short reminder on how we have the power of in-rent
21 foreclosure in New York City.

Throughout the '60s and '70s, New York City was
gripped by economic turmoil spurred by widespread
disinvestment, fiscal mismanagement, and ultimately a
financial and social crisis gripped our city. That

1
2 crisis hit low-income New Yorkers and New Yorkers of
3 color the hardest as widespread unemployment
4 coincided with a rapid deterioration of quality of
5 housing.

6 Under the weight of these economic circumstances,
7 many property owners resorted to widespread
8 abandonment and disinvestment, leaving tenants to
9 languish in buildings that lacked even basic
10 necessities of a functioning apartment. Catastrophic
11 unit loss cascaded across the city with 350,000
12 private housing units lost to abandonment and
13 disinvestment in the '60s and '70s.

14 By 1975, 3,000 units per month were being lost to
15 abandonment in our city. As residents fled the city
16 en masse, city government confronted this economic
17 turmoil via Local Law 45 of 1976, empowering the city
18 to foreclose on tax liens for the first time. But
19 this initial iteration of the In Rem foreclosure
20 program was flawed.

21 By 1994, the city had taken title to nearly 5,500
buildings totaling in 50,000 units, becoming one of
the nation's largest landlords. Yet the cost of
rehabilitating and maintaining these properties was
astronomical for the city, about \$2.2 million per

1 building then, which is close to \$5 million in
2 today's, uh, today's dollars.

3 That iteration of the in rem foreclosure program
4 was untenable, and so in 1996, the city created the
5 Third Party Transfer Program, or TPT, allowing the
6 city to continue foreclosing on distressed properties
7 in order to forestall further deterioration of the
8 building stock and encourage tax compliance
9 throughout the city. But with the properties
10 transferred to an interim owner instead of the city
taking title.

11 Since the program was created in '96, there have
12 been 10 rounds, but the program was put on hold in
13 2019 after the round 10 transfers caused heightened
14 media- brought heightened media attention to the
15 program, and many called for reform. While the
16 third-party transfer had successes during its nearly
30-year history, its administration was extremely
problematic, as 2019 exemplifies.

17 There were disproportionate impacts to
18 communities of color and instances of apparent
19 misadministration of the program, with HPD both
20 leaving out or being overly lenient on properties
that should have been included in transfers and

1
2 foreclosing on properties that apparently should not
3 have gone through the rounds. But today, we're in a
4 place where we have 8 years— 8 years have passed
5 without a version of this in REM foreclosure being
6 used on distressed properties.

7 And this has left HPD's enforcement apparatus
8 hamstrung. Today there's nearly 10,000 buildings
9 containing roughly 115,000 apartments that meet
10 indicators of severe distress. Many of these owners
11 own significant— owe significant sums in unpaid
12 municipal charges. And according to the Mayor's
13 Management Report, nearly 900,000 serious violations
14 were issued in FY24 alone, which is a 40% increase
15 from fiscal year 2021.

16 Emergency repair interventions have more than
17 doubled in the last year. And the most important part
18 of all of this is that behind these statistics are
19 real people, like 2201 Davidson, where we had 600
20 housing maintenance code violations and \$23 million
21 of municipal arrears, 705 and 709 West 170th Street,
where there were 700 open violations and \$500,000
owed to the city. That owner has been arrested twice,
but those tenants continue to languish.

1 Families are living with collapsed ceilings,
2 mold, lead paint, vermin infestations, failing, uh,
3 elevators, and unsafe building systems. And I wanna
4 be clear that to us as Council Members, these living
5 conditions are unacceptable. And we— I certainly am
6 tired of touring building after building where
7 tenants are living in these inhumane conditions.

8 To that end, today we renew the conversation on
9 how to reimagine the Third Party Transfer Program, a
10 conversation started in 2019, continued by the TPT
11 Working Group and through multiple Council hearings
12 and roundtable discussions over the past several
13 years.

14 Intro number 657, now known as the Safer Homes
15 Act, overhauls the problematic third-party transfer
16 program to use the city's power of in-rent
17 foreclosure in a manner that targets the worst of the
18 worst buildings in our city while protecting and
19 expanding homeownership opportunities. The old
20 program included a block pickup provision where if
21 one property on a block qualified for the program,
they were all foreclosed. The new program eliminates
this disastrous provision. The old program was found
to include buildings not in distress.

1
2 A 2019 Council audit revealed that over 50% of
3 properties selected in the, the 10th round of
4 third-party transfer were not distressed. Now the new
5 program will only pick up the worst of the worst
6 through an indexing system. The old program, uh, had
7 tenants claiming that there was no outreach until
8 after the lawsuit— ah, after the transfer, resulting
9 in many lawsuits.

10 The new program will have more stringent
11 requirements so that all parties, including
12 shareholders within a cooperative building and
13 tenants, are notified of their rights. The old
14 program resulted in racial concentration of
15 transfers. Just 50% of Round 10 properties were in 11
16 community districts, low to moderate income
17 communities of color, out of 195 neighborhoods in our
18 city.

19 The new program has more rigorous outreach
20 requirements and supports for owner-occupied
21 properties, creating off-ramps that will be helpful
for this problem. The old program attacked
homeownership with an overrepresentation in
particular of owner-occupied homes and Housing
Development Fund Corporation, Cooperatives.

1
2 The new program will create new opportunities for
3 resident ownership, including a process that allows
4 interested residents to partner with qualified third
5 parties to submit an application for ownership,
6 including former HDFCs that want to reconstitute.

7 And finally, the old program did not require
8 repairs in order to exit the program, only a payment
9 or payment plan, but the new program will require
10 corrective action plans with evidence that work is
11 happening.

12 I want to thank all of the advocates who engaged
13 with us on this bill draft and have provided
14 thoughtful feedback on this program. This introduced
15 bill will continue to be tweaked and finalized until
16 it is the best version that we can get and I invite
17 members of the public to please testify today or
18 submit testimony within the next 72 hours for the
19 next- for the official record.

20 Thanks also to the members of the public who have
21 taken time out of their day to join us. I'm looking
forward to engaging, and I'd like to take this
opportunity to thank my team, Chief of Staff Maria
Villalobos, in particular Deputy Chiefs of Staff Ben

1 Ratner and Kim Castellanos, who put so much sweat and
2 equity and, and work into this hearing today.

3 Gerard Fernandez, Dylan Campos, Maria Jose Mares,
4 Brenda Muniz, and Stephanie Cruisie. I would also
5 like to thank the Housing and Buildings Committee
6 staff, Senior Legislative Counsel Austin Malone,
7 Legislative Counsel William Eck, Billy Eck, Senior
8 Policy Analyst Jose Conde, Policy Analyst Dirk
9 Spencer, Finance Analyst Carla Naranjo, and Data
10 Scientist Reese Hirota, Noah Slosberg, and Mohammed
Shedeed.

11 We called the roll so we know that all the
12 Council Members are here. Uh, so I will now turn it
13 over to our Committee Counsel to administer the oath.

14 COMMITTEE COUNSEL: If you're here to represent
15 the Administration and you've signed, uh, a testimony
16 slip but you're not currently at the dais, just
17 please also raise your right hand. We'll do it all in
18 one go.

19 Um, so please raise your right hand. Do you
20 affirm to tell the truth, the whole truth, and
21 nothing but the truth, and to answer all Council
Member questions honestly? Thank you.

1
2 ROSA KELLY: Good morning. Good morning. Oh, do we
3 wanna pull the deck up? We'll just hang on the title
4 page for a moment while I read the testimony. Should
be up in just a moment.

5 CHAIRPERSON SANCHEZ: Okay.

6 ROSA KELLY: Good morning, Chair Sanchez and
7 members of the New York City Council Committee on
8 Housing and Buildings. My name is Rosa Kelly, Chief
9 of Staff to the Commissioner at the New York City
10 Department of Housing, Preservation and Development.
11 I am joined today by my colleagues Lucy Joffe, Deputy
12 Commissioner for Policy and Strategy, AnnMarie
13 Santiago, Deputy Commissioner for Enforcement and
14 Neighborhood Strategies, and Carrie LaBotz, Associate
Commissioner for Preservation Finance and Portfolio
Management.

15 We're also joined by colleagues from the
16 Department of Finance and the Department of
17 Environmental Protection. Thank you so much for the
18 opportunity to testify regarding Intro 657, proposed
19 legislation to modernize the Third Party Transfer
Program.

20 The Third Party Transfer Program was created by
21 the Council in 1996 to respond to a critically

1
2 distressed subset of residential buildings
3 experiencing prolonged unpaid municipal debt
4 alongside deteriorating conditions. Years of unpaid
5 property taxes, water and sewer charges, and other
6 municipal charges often signal deep financial
7 distress that can lead to worsening conditions for
8 tenants. Addressing these conditions is of utmost
9 importance to the city.

10 In addition to the tax enforcement functions of
11 TPT carried out alongside the Department of Finance
12 and the Department of Environmental Protection, HPD
13 views the program as a key part of our broader
14 enforcement and preservation toolkit to ensure that
15 housing remains safe and livable for New Yorkers.
16 HPD's broader work to ensure housing quality and
17 preservation often begins with the Office of
18 Enforcement and Neighborhood Services, or ENS, who
19 work day in and day out to protect the health and
20 safety of tenants by enforcing the Housing
21 Maintenance Code, promoting compliance, and
preserving the quality of the city's housing stock.

In fiscal year '26 through January 31st, ENS
received almost 569,000 housing maintenance code
complaints, issued nearly 460,000 violations to

1 property owners, and cleared over 408,000 violations.

2 We have strengthened accountability through
3 initiatives like the launch of the second
4 certification watch list, an enhanced enforcement
5 program designed to combat violations that are
6 falsely certified as correct by— corrected by
7 property owners.

8 We have also taken decisive legal action to
9 ensure owner accountability, including announcing a
10 \$2.1 million settlement against A&E for serious
11 violations of housing standards.

12 At the same time, through the Administration's
13 rental ripoff hearings and ongoing engagement, we
14 will be creating more opportunities for tenants to
15 provide direct feedback on our code enforcement
16 process, ensuring that lived experience informs
17 enforcement strategies and our housing policy.

18 HPD works across multiple offices to support the
19 quality and affordability of existing housing.
20 Through HPD's Office of Neighborhood Strategies,
21 programs like the Partners in Preservation initiative
support tenant organizers to stabilize distressed
buildings, strengthen tenant associations, and help
residents remain in their homes.

1
2 These efforts work alongside the Office of
3 Development's various loan and property tax incentive
4 programs, which support owners to make investments in
5 housing quality while keeping affordable housing for
6 current and future residents. This work is critical
7 to HPD's mission and forms the backbone of our
8 approach to ensuring housing quality.

9 Taken together, HPD's enforcement, Preservation
10 and financing framework supports the broader housing
11 stock. However, there are a small number of buildings
12 where years of unpaid municipal debt and persistent
13 hazardous housing conditions indicate a deeper level
14 of distress that cannot be resolved through standard
15 enforcement or preservation tools alone.

16 While the vast majority of housing is in good
17 condition, there are a small number of properties
18 that face financial and physical issues. Go to slide
19 2, please. It's the one with the pie chart. Thank
20 you.

21 Slide 2 shows that there are about 770,000 Class
I and Class II residential properties, excluding
condos in New York City. Of these properties, about
70% of residential properties do not owe property tax
or water sewer charges and did not have any hazardous

1
2 or immediately hazardous violations issued from
3 January 2023 to January 2026 that remain open. Of the
4 770,000 properties, approximately 26% owe property
5 tax and water arrears totaling approximately \$3.1
6 billion. 5% have B and C housing violations issued
7 between January 2023 and January 2026 that remain
8 open and only 2% have both tax delinquency and open
9 recent housing violations.

10 It is within this narrow slice of the housing
11 stock, 2% of properties that have the most serious
12 financial and physical distress. The Third Party
13 Transfer Program is designed to focus on a narrow
14 subset of these severely distressed properties where
15 other enforcement, outreach, or preservation tools
16 have not resolved the underlying instability and
17 where residents need housing stabilization.

18 Unlike traditional foreclosure, properties that
19 enter TPT are foreclosed on by the city and
20 transferred to an interim owner, Neighborhood Restore
21 HDFC, and then conveyed to a qualified affordable
housing developer for rehabilitation stabilization
with HPD support.

Through TPT, residents are able to remain in
their homes with continued affordability and rent

1 The working group released a report in late 2021
2 and recommended several important changes to the
3 program. These included eliminating the statutory
4 block pickup requirement in favor of a more refined
5 selection process, which— balancing both financial
6 and physical distress and eligibility criteria,
7 standardizing payment plans, expanding outreach and
8 partnership with CBOs and elected officials, and
9 exploring additional technical assistance for owners.

10 We are very pleased that the Council has
11 reintroduced legislation to modernize TPT, and many
12 of the proposed changes reflect both the working
13 group's recommendations and HPD's data-driven
14 analysis. In alignment with working group feedback,
15 HPD is proposing significant changes to eligibility
16 and selection.

17 We want to discuss these modifications in depth
18 and provide some additional context on the
19 characteristics of the properties that would
20 potentially be included if the city were to commence
21 a round today. Move to slide 3, please.

 Slide 3 summarizes the proposed eligibility
criteria. Under our proposed critical eligibility, or
the balanced model, residential properties would

1
2 qualify if they're tax class 1 properties and
3 cooperatives that have delinquent debt exceeding 3
4 years of their annual tax liability, class 2 HDFC
5 rental properties that have delinquent debt exceeding
6 2 years of their annual tax liability, or tax class 2
7 rental properties that have delinquent debt exceeding
8 1 year of their annual tax liability.

9 Of the 70- 770,000 residential Class 1 and Class
10 2 properties, excluding condos, less than about 1% or
11 3,000 properties meet that minimum eligibility, uh,
12 criteria for TPT. Once eligibility is determined, we
13 propose that the city identify critical eligible
14 properties through an indexing system that would rank
15 properties on the basis of municipal debt, as well as
16 open Class B and Class C housing violations, um, in-
17 that were issued in the last 3 years. Each property
18 will receive a score, um, on these factors, which
19 would then be multiplied such that the properties
20 with the highest combination of debt and housing
21 violations receive the lowest score.

22 Properties will be selected in order starting
23 from the lowest score for inclusion in the program.
24 HPD proposes that the agency have the ability to

1
2 determine the number of properties selected for a
3 particular round and the frequency of a round.

4 Slide 4, please. Slide 4 provides some
5 illustrative data showing the characteristics of the
6 top 200 and top 500 properties using the proposed
7 selection methodology based on the data from uh,
8 November 2025. The size of a round may vary depending
9 on what we learn through redemption rates and new
10 components of the program as we continue to negotiate
11 the proposed bill and conduct future rounds of TPT.

12 Municipal charges range from \$260 million to \$312
13 million for the top 200 or 500 properties. Slide 5.

14 Shows approximately \$625,000 to \$1.3 million owed
15 per property and \$60,000 to \$70,000 per unit. Slide 6
16 demonstrates that recently issued unresolved
17 violations range from, ah, \$13,500 to \$20,000 across
18 the top 200 or 500 properties. Averaging about 40 to
19 70 per property and about 4 to 6 per unit.

20 The top 200 or 500 properties have \$6 million to
21 \$11 million in emergency repair charges. Slide 7
demonstrates that nearly 25 to 35% of the top 200 or
500 properties are already in enhanced enforcement
programs such as 7A or AEP, underscoring that these

1
2 are buildings where prior interventions have not
3 produced sustained correction.

4 Slide 8. Slide 8 shows that proposed criteria
5 demonstrated— uh, excuse me, shows how the proposed
6 criteria compared to the existing statutorily
7 distressed definition. Overall, our proposed
8 selection methodology results in properties that do
9 have higher levels of municipal debt and housing code
10 violations.

11 On average, the critical eligible properties have
12 40% more debt and 2% more violations. The critical
13 eligible model also identifies larger buildings
14 averaging 30 units, meaning more tenants per
15 intervention. The statutorily distressed method tends
16 to identify smaller properties averaging 10 units,
17 many of which are owner-occupied.

18 Slide 9. Slide 9 demonstrates the critical
19 eligible model also results in a more evenly
20 distributed— distribution of properties across
21 boroughs, whereas roughly, excuse me, whereas roughly
half of the properties identified under the
statutorily distressed method were concentrated in
Brooklyn. Modernizing TPT is a key step to expanding

1
2 our toolkit to stabilize distressed properties in New
3 York City.

4 By reforming TPT, the city can ensure that this
5 powerful program focuses on the properties with the
6 most delinquent debt and recent violations so that
7 the buildings can be stabilized with improved housing
8 quality for residents.

9 At the same time, we wanna flag a few areas of
10 the current Council draft that merit further
11 discussion. On slide 10 - we fully agree that owners,
12 City Council, and residents should be informed. We
13 wanna work with City Council to refine the notice and
14 outreach requirements to ensure that interested
15 parties are provided, provided appropriate and
16 actionable information at critical milestones.

17 While HPD and the other agencies involved in
18 administering the program have historically done
19 extensive outreach to property owners, we propose to
20 strategically supplement those current notices with
21 the following: requirement that each agency involved
in the Administration of the program have a clear
agency liaison identified on their website and in all
required notices.

1
2 We're gonna add— we propose to adding a second
3 notice of possible foreclosure to the owners,
4 continuing a notice to the property owner at
5 commencement of the foreclosure action when
6 delinquent taxes are filed with the court, and
7 highlighting options which the owner can utilize to
8 redeem their property and exit the action.

9 Post-commencement, distributing the, the notice
10 of foreclosure at the building, so in common areas
11 and flyering around the building, in addition to
12 notifying the Council and providing a final warning
13 notice to property owners with clear information
14 about the outstanding violations and arrears,
15 redemption options, agency liaisons, and the
16 possibility to claim surplus.

17 In addition to the added notices and ongoing
18 outreach support from agency liaisons, this work will
19 be supplemented by the Owner Resource Center, which
20 can provide technical assistance support for owners
21 and a website for owner access— for owners to access
key information.

Our goal is to provide clear criteria to building
owners to be able to pay outstanding arrears, address
housing conditions, and avoid foreclosure. As such,

1 we recommend that payment plans be streamlined with
2 standard payment options available to property
3 owners. Simplifying payment options will make it
4 easier for owners to understand and make it easier
5 for agencies to provide good customer service.

6 As property selection is proposed to be based on
7 tax liens as well as property conditions. We also
8 support redemption requirements that tie the
9 resolution of arrears to the correction of hazardous
10 violations so that housing conditions improve as part
11 of any path out of TPT.

12 Additionally, we recommend excluding vacant lots
13 from the eligibility criteria. TPT is a tax
14 enforcement program with the goal of housing
15 stabilization for residents in these troubled
16 buildings. Given limited city resources, the program
17 should remain focused on supporting the preservation
18 of housing for existing tenants.

19 In fact, vacant land that was included in prior
20 rounds of TPT had often consisted of small,
21 difficult-to-develop areas and sites, underscoring
that TPT is better suited as a tool for housing
stabilization rather than development.

1
2 Finally, the city will add a new process by which
3 the owner of a foreclosed property can make a claim
4 of surplus equity where it exists. At a time when so
5 many New Yorkers struggle to find quality affordable
6 housing, we must protect housing that already exists
7 and work to improve conditions for residents living
8 in buildings in crisis.

9 TPT is a critical program to stabilize housing
10 for New Yorkers, focused on stabilizing a subset of
11 properties with the highest municipal debt and
12 housing code violations. We look forward to
13 continuing our work together to refine this
14 legislation and deliver better outcomes for property
15 owners and most importantly for the residents living
16 in financially and physically distressed buildings.
17 Thank you so much. We welcome your questions.

18 CHAIRPERSON SANCHEZ: Thank you. Thank you so
19 much, um, for your testimony and for all the detail
20 that you brought into this conversation today.

21 Um, my first question is if you could reiterate
the differences, uh, that you are outlined— that you
outlined throughout your testimony between the
critical eligible, um, or balanced model and what we
have in the statute today.

1
2 ROSA KELLY: Yeah, absolutely. Um, I'll just— I'll
3 kick it to Lucy, but first I'll just say that, you
4 know, in partnership with the Council, We proposed
5 the reforms based on recommendations from the working
6 group for that balanced model, the elimination of the
7 block pickup, and this indexing of the worst of the
8 worst for the highest municipal arrears and those B
9 and C violations, I think really is a model that
10 helps us target and make a more, uh, efficient and
11 effective program.

12 LUCY JOFFE: Thank you. So under the statutory
13 distress model, um, we were comparing, uh, building
14 value to the liens, um, and, uh, that was the— I'm
15 sorry, hold on one second.

16 Coming up here. And so we would— sorry, let me
17 pick that up again. Under statutory distress, we were
18 looking at, uh, both, uh, financial and physical
19 characteristics up front, um, and looking at, uh,
20 buildings that had a greater percentage of the lien
21 to, uh, DOF market value ratio.

Um, instead, what we're gonna be doing up front
is now under critical eligible, there is a threshold
that varies based on the type of building, um, and
we're looking at the, um, ah, percentage of the, ah,

1
2 outstanding, er, ah, money owed compared to the tax
3 liability, and that increases, ah, the number of
4 years of outstanding tax liability for the comparison
5 depending on the type of building.

6 So for Tax Class 1, um, those owners would have
7 to owe 3 times the amount of their, ah, annual tax
8 liability. For HDFC rentals, it would be 2 times that
9 tax liability, and for, um, ah, er, ah, other rental
10 buildings in Tax Class 2, it would be 1 times that
11 tax liability. That's to be eligible for the program.

12 Once eligible, buildings still have to be
13 selected, and when they're, ah, when we go to the
14 selection process, we're gonna be comparing, looking
15 at both, ah, physical and financial distress. Um, in
16 testimony we talked a little about that index. That
17 allows us to ensure that we are picking up the worst
18 of the worst buildings, um, those that have, ah,
19 really high, ah, indicators of both physical and
20 financial distress.

21 CHAIRPERSON SANCHEZ: Thank you. Um, got it and
that's, that's- So your critically eligible
description is comparing- is contrasting to what is
on the books today. Um, but what about differences to

1
2 what we have proposed in the legislation? What, what
3 is changing?

4 LUCY JOFFE: Um, thank you for that. So those
5 changes would be similar, right? Uh, if we keep the
6 statutory distress definition, then it will continue
7 to look a little bit like the old program. If we move
8 towards critical eligible, what we're really gonna be
9 doing is we have that 2-step process, but really
10 ensuring that we are getting larger buildings,
11 buildings that are experiencing, ah, both, ah,
12 significant distress, ah, on the financial and the
13 physical side.

14 Um, we talked a little about the fact that, ah,
15 we believe under this model we're gonna get a more
16 diffuse represent- representation across the city.
17 Um, and really isolating, ah, to the, the worst of
18 the, the worst buildings, and that difference between
19 statutory, er, statutory distress and critical
20 eligible is a big part of that.

21 CHAIRPERSON SANCHEZ: Thank you. Thank you so
much. Uhm, and we, we, for the record, we do agree- I
do agree on that distinction and trying to make sure
that we target the worst of the worst.

1
2 In previous testimony, HPD testified that you
3 want complete discretion in determining the number of
4 properties in each round. Is that still the agency's
5 this position, and what would prevent the agency from
6 citing capacity concerns in the future and choosing
7 not to include any buildings in a future round if we
8 grant this, uh, ability?

9 ROSA KELLY: I think it's more— thank you for the
10 question, Council Member. I, I think it's more so
11 that in statute, we, um, we can't commit to a minimum
12 number of eligible properties that we could support
13 or select in a future round without knowing the cost,
14 the scale, and the impact of the new program. This is
15 such a new proposal, um, and it would be frankly a
16 little irresponsible for us to commit to something in
17 statute.

18 However, um, you know how strongly we feel that
19 this is an incredibly important tool in our toolbox.
20 We have seen how important preservation stabilization
21 is in the larger city, ah, er, universe of these
types of buildings. It's important that we get this
right.

We can also say that historically, approximately
250 to 500 properties have been selected for TPT, uh,

1
2 rounds. Um, and so, you know, we have some historical
3 data that we are looking at and that we've used in
4 our data analysis to help us grasp what the scale of
5 this might be. Um, and we will commit to
6 communication and transparency where we have an
7 appropriate number that we believe the program can
8 support. If we can do more, we will do more.

9 CHAIRPERSON SANCHEZ: Got it. Thank you. Um, we'll
10 continue conversations around that, uh, and how it
11 ends up in the statute. Um, regarding exemptions,
12 Intro 657 proposes a set of buildings that should be
13 exempt from the new program, such as owner-occupied
14 tax class 1 properties, which differs from the
15 proposed eligibility and selection criteria in your
16 second slide.

17 Um, we also talk about those receiving SHE and,
18 and DEE. What is HPD's stance on the proposed
19 exemptions that we have in legislation right now?
20 What additional exemptions should be included or
21 considered that are not currently in the bill?

LUCY JOFFE: Thank you for that question. Um, you
know, I think, uh, if I may, I would say that, uh, a
lot of the exemptions on b-but with from both sides

1
2 are getting at similar issues, just with some, uh,
3 important differences.

4 So, um, we would exempt owner-occupied buildings
5 that are meeting a lot of the criteria that you
6 talked about. Um, so folks whose income qualify for
7 STAR, have the Senior Citizen Disability Homeowner
8 Exemption, Disability Homeowner Exemption, uh,
9 exemptions relating to veteran status, um, and then
10 the State Circuit Breaker Income Tax Credit.

11 Um, we, uh, and so that's structured just a
12 little bit differently. Um, condos, we think it's
13 important to exempt. Um, those that are, ah, already
14 owned by Neighborhood Restore, one of their
15 affiliates, and are making their way through the, um,
16 the process. Those that are owned by the government
17 or have been financed by HPD or HDC recently. Um,
18 those with active tax liens with the New York City
19 Trust. Commercial or utility property, that's tax
20 classes 3 and 4. Uh, we talked a little bit about the
21 issue around vacant land.

Um, and then again, getting at the fact that this
is a new program, we've done a ton of analysis
together with the working group. Um, but it is
important that, uh, we allow this program to be able

1
2 to evolve over time, including as we, uh, learn more
3 about it. Um, and so, uh, we think there should be
4 some flexibility to be able to add on to those
5 exemptions should they become necessary.

6 CHAIRPERSON SANCHEZ: Thank you. Um, with regard-
7 with respect to vacant lots and the, the agency's
8 position that we- these should be excluded, uh, what,
9 what tools does HPD or does the city have on the
10 books right now to, to deal with vacant parcels that
11 we have, uh, just collecting trash and violations and
12 vermin and rodents that are not seeing change from,
13 from New Yorkers?

14 ROSA KELLY: So I think I'll just start by, you
15 know, again, when we looked at how to create a
16 program that is most effective, um, and given limited
17 city resources, we really do, um, think that future
18 iterations of this should focus on, ah, er, buildings
19 where tenants are at risk of, you know, living in
20 distressed conditions. And I will say also, leading
21 into this, is that historically, um, when we have
transferred vacant sites that are small and
undevelopable, um, we haven't seen a ton of yield in
terms of affordable units. Um, in fact, um, of the
total 11 lots that were transferred in round 10, um,

1
2 8 of which are, ah, actually in line for development,
3 and they're currently creating 65 units of total new
4 construction. It's not nothing. We definitely- see
5 that there is some yield there, but we also are very
6 mindful of, um, a programmatic focus for this, this
7 program moving forward.

8 So I'll, I'll say that in terms of the, the
9 forward-looking part of the program. And it's not
10 including vacant units in the program doesn't take
11 away any of the city's other tools to deal with
12 these. Um, the owners still have all the same
13 obligations. It just doesn't put those lots through
14 this very resource-intensive program, um, given the,
15 ah, limited results that we get from it.

16 CHAIRPERSON SANCHEZ: If the agency did not have
17 to hold title to them or be responsible, ah, for them
18 after transfer, would that- would that change the
19 agency's position?

20 ROSA KELLY: I think we can talk more about that.

21 CHAIRPERSON SANCHEZ: Thank you. I'm gonna ask a
couple more questions and then I'll turn it over to
Council Member Epstein, who has a couple of questions
on his own- of his own.

1
2 Um, okay with respect to enforcement, our office
3 did a basic analysis of buildings that have cycled
4 through HPD's AEP program. We found that nearly 400
5 buildings, more than 10% of the buildings in AEP's
6 history, were repeat offenders, if you will, across
7 multiple rounds of Alternative Enforcement Program.
8 Some were included in TPT before discharge and— or
9 excuse me, they were included before an AEP discharge
10 and then fell back in 5 to 10 years later.

11 The point being that AEP failed to stabilize
12 these buildings over the long term, as you
13 acknowledged in your testimony. For buildings like
14 this where HPD's other enforcement programs do not
15 seem to meaningfully be changing conditions for
16 tenants, should we consider a fast track that
17 expedites these buildings through a revamped TPT
18 program?

19 ROSA KELLY: So I think that our, um, proposed
20 criteria really does a better job of capturing, um,
21 the buildings that are in those enhanced enforcement
programs, as we saw in the data. Um, and, um, we, you
know, know that we are setting these buildings up for
success, uh, with the financial support that is an
underlying, uh, resource as part of the TPT program.

1
2 Um, so we, we really do believe that our proposed
3 reforms, um, hit at the goals, uh, that you just
4 mentioned of, of capturing that universe of buildings
5 that have failed to meaningfully stabilize through
6 one of our, uh, enhanced enforcement programs.

7 CHAIRPERSON SANCHEZ: Thank you. Um, and last one
8 for me for this round, uh, the, the missing middle
9 that we've talked about offline. Um, what is HPD's
10 proposed solution for buildings that are pulled from,
11 say, the lien sale because they are distressed, but
12 are not then selected for a round of third-party
13 transfer due to capacity constraints, budget, or
14 whatever other reason?

15 LUCY JOFFE: Thank you for that question. There
16 has been this concern about buildings getting sort of
17 stuck in limbo between the programs, and we do need
18 to pull, uh, more properties from the tax lien sale
19 for— that could be eligible for TPT, um, in order to
20 really, uh, end up with our correct selection pool,
21 if you sort of think about the way we've indexed in
the criteria.

Um, but we do recognize this concern. However, we
think that, um, it is largely going to be resolved if
we match the criteria for, uh, the tax lien sale, the

1 critical eligible, So we're using the same language
2 across. We'd be pulling the critical eligible, ah,
3 er, buildings, though some of them might not actually
4 end up getting picked up for TPT in that round.
5 They'll then be eligible again for tax lien sale if
6 things have not changed. Um, and in the meantime,
7 just to make sure that we have eyes on this building,
8 HPD would be, ah, doing roof- will do roof-to-cellar
9 inspections of these buildings just to make sure that
10 we are appropriately monitoring them, and at all
11 times they will continue to be subject to all of our
12 enhanced monitoring programs.

13 Um, so it's not like they're going to be, ah, you
14 know, live in limbo. We will really make sure that,
15 um, these program- these buildings, ah, continue to
16 get the observation and monitoring they need.

17 CHAIRPERSON SANCHEZ: So just to make sure I
18 understand you correctly, are you proposing changes
19 to the tax lien sale, ah, exemption process?

20 ROSA KELLY: Uh, we're proposing that the existing
21 definition of statutory distress, which right now
also lives in the tax lien sale legislation, that,
yes, excludes properties from the sale, be modified
to match our definition of critical eligible that

1 we're proposing in this legislation, such that the
2 two definitions speak the same language on both the
3 tax lien sale legislation and our TPT legislation.
4 That way, there is no middle. It's just that's the
5 universe that's eligible for TPT. It's the same
6 buildings that are eligible year after year. And like
7 Lucy mentioned, um, once they're on that list,
8 regardless of whether or not they are selected for a
9 TPT round, um, we are aware of what they are, where
10 they are, and we will be conducting roof-to-cellar
11 inspections so that we have a good baseline
12 understanding of how to to monitor enforcement
13 conditions from year to year.

14 CHAIRPERSON SANCHEZ: Okay and then you're saying
15 that, uh, for, for properties that are removed from
16 the, the lien sale but then not selected into TPT,
17 they would get extra love and attention from-

18 ROSA KELLY: We would do a roof-to-cellar
19 inspection of those buildings, and they would
20 continue to be subject to any of our enforcement.

21 CHAIRPERSON SANCHEZ: So given that TPT in the
past has taken 2.5 years or more, uh, to complete a
transfer from time of selection to the time of

1 transfer, um, how often would, would HPD anticipate,
2 uh, staying on top of these properties?

3 Well, it really depends on the complaints that we
4 receive from the building. We'll make sure to do a
5 roof-to-cellar inspection, and then if things, uh,
6 start to get worse, we expect that we will, um, be
7 receiving complaints from the building, and we'll
8 make sure that we have folks out there as we
9 otherwise would. Um, the timing of the tax lien sale
and DBT, right, could vary, um, in a given year.

10 LUCY JOFFE: And I'll just add to that, that this
11 is the same universe of buildings that, um, uh, we
12 work with the Council on and are actually probably
13 known to you such- and similarly, they are known to
14 us. We are always happy to work in partnership with
15 Council Members who have some of these types of
buildings in their district.

16 Um, yeah, I'm thinking of, uh, Davidson, um, in
17 your district, Chair that we, um, you know, had a lot
18 of outreach and a lot of back and forth on that. It's
19 pretty typical of kind of the worst of the worst of
20 these kind of buildings, and so we do expect that
21 these are not going to be unknown to us.

1
2 CHAIRPERSON SANCHEZ: Thank you. I'm going to turn
3 it over to Council Member Epstein before coming back.

4 COUNCIL MEMBER EPSTEIN: Thank you, Chair Sanchez,
5 and, and thank you for being here. Just, just
6 following up with what the Chair said about, like,
7 relationship with the Council, if a Council Member or
8 local community-based organizations wanted to flag
9 buildings that are— should be priority buildings,
10 where in the legislation do you see that as a
11 priority that we can— because the criteria might be
12 some objective criteria, but you on the ground, you
13 might see something happening very differently that
14 we wanted to highlight a building in a, in a— to move
15 that along quicker.

16 ROSA KELLY: Yeah, absolutely. Um, so you're
17 right, uh, we haven't put forth what we really need
18 to be objective criteria that in some ways removes
19 the, um, the discretion. Um, but that being said, I
20 think, you know, we do have a relationship with many
21 Council Members around some of these more problematic
buildings. Like I've said, the worst of the worst are
not unknown to us because we have been out for the,
you know, so many times to respond to open
violations. Once we get the municipal arrears, we

1
2 will have a sense of what is, uh, included in the
3 universe. But, um, I think we are always welcome, uh,
4 we always welcome a partnership with Council Members
5 who want to flag buildings for us to, to take a look
6 at.

7 But again, the objective criteria for inclusion
8 in the program is intentional.

9 COUNCIL MEMBER EPSTEIN: I only have 5 minutes. I
10 don't want to cut you off, but I, I want to push on
11 that because I think what you're saying, um, it could
12 be objectively saying, hey, there's a 7 day pending,
13 hey, the Council Members flagged it. Hey,
14 community-based organizations have flagged it.

15 Those can be objective criteria too. They're just
16 not there, so why not include those?

17 ROSA KELLY: Well, this is a tax enforcement
18 program first and foremost, so that-

19 COUNCIL MEMBER EPSTEIN: Well, it's pulling out of
20 a tax lien sale to do a foreclosure to get a building
21 that is distressed because you need repairs and taxes
into a new program because tenants are suffering.

ROSA KELLY: Mhm yeah.

1
2 COUNCIL MEMBER EPSTEIN: So it's not just tax
3 foreclosure, it is because there's violations as
4 well.

5 ROSA KELLY: Yeah, absolutely and that's what the
6 balanced model, um, is really meant to get at. Um, I
7 think that you're absolutely right. On top of that
8 minimum eligibility that we've described here of
9 buildings that have outstanding arrears such that
10 they would be eligible for this tax enforcement
11 program, and they have outstanding violations,
12 hazardous violations, that would mean that they are
13 indexed to be inclusive of our model.

14 We are happy to hear from Council Members of that
15 universe of buildings which ones are most
16 problematic, which ones are you getting the most
17 outreach on.

18 COUNCIL MEMBER EPSTEIN: But would you prioritize
19 those buildings?

20 ROSA KELLY: We would not. Okay. We are— in our
21 proposal, we would not.

COUNCIL MEMBER EPSTEIN: I wanna go to a different
line of questioning.

LUCY JOFFE: Not for TPT.

1
2 ROSA KELLY: Not for TPT but they would absolutely
3 be prioritized for some of our other enforcement
4 programs. This is a limited program in that way.

5 COUNCIL MEMBER EPSTEIN: So I wanna talk about the
6 tenant ownership model here. Um, the tenant ownership
7 model seems very weak to me, it doesn't allow- I,
8 I've worked on TPT buildings that still haven't moved
9 to tenant ownership, you know, 30 years later. I'm
10 wondering how can we guarantee that tenants who are,
11 who are agreeing to do this will, will at the end, as
12 long as they comply with the obligations that they
13 have, ensure that those tenants will move into an
14 ownership model?

15 KERRY LABOTZ: Um, sure, thank you for that
16 question. Um, we are happy to support in this new
17 legislation the opportunity for HDFC co-ops

18 COUNCIL MEMBER EPSTEIN: Not HDFCs, I'm talking
19 about buildings that are in TPT that we want them to
20 become tenant ownership buildings, that those
21 buildings will actually guarantee to be transitioned
to tenant ownership. Because right now you're
transferring it to a third party with no guarantee,
even if the tenants comply, that those units will be
turned over to the tenants as, as a cooperative.

1
2 KERRY LABOTZ: So there's, there's a few places
3 that we're supporting tenant ownership. That is
4 allowing HDFC co-ops to reconstitute, as well as
5 providing the opportunity for buildings that are
6 rentals to be able to petition in. The buildings must
7 first and foremost meet the minimum eligibility
8 criteria to petition. We will provide notifications
9 to these buildings to let them know what that
10 criteria is.

11 COUNCIL MEMBER EPSTEIN: What guarantees tenants
12 the ability to get their buildings if they agree with
13 a go-to-with-a-third-party transfer to ensure those
14 buildings become ownership buildings?

15 KERRY LABOTZ: Tenants must meet— the building
16 must meet the eligibility criteria.

17 COUNCIL MEMBER EPSTEIN: So they meet those
18 criteria. What guarantees did HPD put into place to
19 ensure those buildings will become tenant ownership?

20 KERRY LABOTZ: Part of

21 LUCY JOFFE: They're criteria. We're going— we
have clear criteria for the standards that they have
to meet.

COUNCIL MEMBER EPSTEIN: So if tenants comply,
what—

1
2 LUCY JOFFE: And these are based in part on some
3 of our experiences with the past, with some of the
4 very buildings that you've struggled with. We know
5 that if tenants are going to take over some of these
6 formerly very troubled buildings, they have to be set
up for success.

7 So we have, uh, from this work that we've been
8 doing, worked to identify what is it that's going to
9 really set every one of those tenants up to be
10 successful in that building, and that's the starting
11 point here. And that's where HPD can promise you that
12 when we're working with these buildings, if they can
13 meet that criteria, that we're gonna help them— be
14 able to help them get into that ownership.

15 COUNCIL MEMBER EPSTEIN: Why not just do a, a
16 process where they go into tenant ownership as they
17 meet those criteria instead of having a third party
18 who can hold it up for 20 years to ensure as long as
19 they meet their criteria, they're doing their
20 classes, they're doing their training, they can have
21 a third-party monitor to oversee them. Why not, why
not give tenants the power to have ownership as an
opportunity to guarantee that they will be able to
move those buildings into ownership instead of

1 saying, tenants, you're gonna have to do this work,
2 but then you're gonna have to rely on this third
3 party to agree to transfer them, and there's no
4 guarantee HPD or anyone else can force them to turn
5 it over to you.

6 LUCY JOFFE: We don't anticipate that this is
7 going to take 20 years. We believe if the tenants are
8 well set up, we will be able to facilitate these
9 transactions. But these are incredibly troubled
10 buildings. We've been testifying to the fact that
11 they are the worst of the worst. It does mean that we
12 owe it to those tenants to make sure that, that
13 building is ready.

14 We're devoting lots of resources, including
15 through the Owner Resource Center, um, through other
16 parts of HPD, to make sure that we are working with
17 everyone involved to make this program really
18 successful.

19 We'd be happy to offline with you about
20 particular buildings that you're concerned about, but
21 we do believe that the combination of factors, both
 the resources that the agencies are putting towards
 this, the standards that we've set out for tenants to
 be successful, and our general interest in supporting

1
2 this means that we are going to be able to do this
3 and better than we've done it in the past.

4 COUNCIL MEMBER EPSTEIN: I, I, I just- it sounds
5 like there's no guarantee that tenants will have, if
6 they commit to doing all their trainings and
7 following through everything, that they can guarantee
8 through this process legislatively to get ownership
9 of the building and you're saying you're gonna
10 provide resources, and you're saying there a trouble
11 building. I know, I, I represented many of these
12 buildings in my career to help people become tenant
13 ownership.

14 To then have a nonprofit refuse 5 years later, 10
15 years later, to even sell the building to the
16 tenants, which leaves the tenants extremely
17 frustrated.

18 So I wanna hear why we- what can we do to
19 guarantee these tenants tenant ownership?

20 KERRY LABOTZ: We're, we're gonna be providing
21 clearer timelines and milestones for achieving tenant
ownership. We know we've had buildings in the past
where there have been timing issues. Part of, uh,
what we'll be providing programmatically is ensuring
that we have those clear timelines laid out so both

1
2 the tenants and the owners and HPD understand what
3 milestones they have to reach for tenant ownership.

4 COUNCIL MEMBER EPSTEIN: Why couldn't we do that
5 statutorily then instead of just waiting to have you
6 through rulemaking create those timelines?

7 LUCY JOFFE: We could talk more about what you're
8 looking for in terms of what that would look like.
9 Um, we don't see this as a lack of guarantee. We see
10 this as we are going to map out the program and make
11 sure that it works for everyone, and we're happy to
12 offline on some of these details if it doesn't seem
13 like it's going to achieve what you're looking for.

14 CHAIRPERSON SANCHEZ: Thank you. No, and I was
15 just to, to follow up on Council Member Epstein. If,
16 if I understand you correctly, um, and, and please
17 cut me off if I'm not, um, it, it does seem like HPD
18 does have criteria that tenants are— need to, to go
19 through and, and, you know, many hoops to jump in
20 order to become a cooperative. But then at the end,
21 even if they've met all of these criteria, it's still
up to HPD's discretion whether or not to accept those
criteria, or at least that's, that's how it, that's
how it comes across. And so I, I think we're asking

1
2 for clarity, and I, and I join, uh, Council Member
3 Epstein in wanting that clarity. Would you—

4 COUNCIL MEMBER EPSTEIN: Yeah, and either HPD or
5 the, the third-party transfer designee have a lot of
6 freedom to make some decisions that could— they, they
7 could say to the tenants, we're— even though you've
8 met these criteria, we're not transferring the
9 building. And so that leaves the tenants kind of at a
lurch when they've done everything they were asked to
do.

10 We want to make sure if they've struggled,
11 they've suffered, we're telling them there's going to
12 be this co-op at end, um, we want some guarantees
13 along the way that that'll actually happen, that's
14 committed to in the law so they can rely on it. And
15 then if they can't— if that doesn't happen, they can
16 have a basis to sue because they've done everything
17 they need to do because they can't just beg for it.
18 They need— we wanna give tenants power to do the
19 right thing here. And I'm worried that the way the
20 process is, is gonna just reiterate the problems we
21 had in the '90s and the early 2000s where people
wouldn't get those buildings become tenant ownership

1
2 because either HPD decided or the nonprofit decided
3 that was not gonna happen.

4 ROSA KELLY: Yeah, I think I- we can definitely
5 offline a little to talk a little bit more about
6 what, uh, um, what that might look like. Um, and I'll
7 also just say that, like, again, we- a lot of this is
8 about removing the discretion and putting in more
9 objective criteria.

10 So I actually think that that maybe, um, you
11 know, once we can talk a little bit about more what
12 we propose, we may actually be more in alignment than
13 as, uh, as, you know, as it seems right now, um,
14 because that clarity, that transparency, and the
15 additional resources, um, you know, of the objective
16 criteria for petitioning to become tenant-owned, uh,
17 a tenant-owned building, um, I think is, is more in
18 line with maybe what you're envisioning now, um, and
19 so let's talk more about it. Thank you.

20 COUNCIL MEMBER EPSTEIN: Thank you.

21 CHAIRPERSON SANCHEZ: Thank you, Council Member.
I'll now turn it to Council Member Salaam.

COUNCIL MEMBER SALAAM: Thank you, Chair and, um,
many of the, uh, questions that were raised, of
course, embodies many of our- many of our districts.

1
2 And so once, uh, that offline conversation happens,
3 definitely we wanna make sure that we have the, um,
4 the insight into how we move forward.

5 Many longtime Black and brown homeowners in
6 Harlem, particularly seniors on fixed income,
7 reported never receiving adequate notice before
8 Ground X. Beyond mailing a notice— what— with a tax
9 bill, rather, what concrete multilingual and
multimodal outreach will DOF implement to make these
homeowners actually understand that they are at risk?

10 ANNETTE HILL: Thank you for that question. Um,
11 during the tax lien, we, we implemented a lot of, um,
12 new outreach models to reach tenants and would re-
13 work to do the same with TPT. We worked with our
14 partners at HPD, DEP, the Mayor's Public Engagement
15 Unit, a neighborhood— a neighborhood nonprofit, er,
ah, groups.

16 We had, um, 66 different events where Council
17 Members joined us and our partners at PEU and HPD and
18 DEP also joined us. We developed a 2-page fact- fact
19 sheet outlining important information about the sale,
20 which we would do for the TPT program, um, which was
21 available, um, to— in 10 languages and was used by
the city— by all the city agencies, the Center for

1
2 Neighborhood Partnership, the outreach partners, and
3 elected officials.

4 We also, um, engaged with, um, person-to-person
5 where, um, the neighborhood went— actually went— did
6 canvass the neighborhood to let, let, um, the owners
7 know that their property was part of the lien sale.
8 We'd also do that same engagement with the TPT, um,
9 program.

10 COUNCIL MEMBER SALAAM: And can you, can you walk
11 us through what the new 20th percentile distress
12 threshold looks like for typical Harlem brownstone
13 owners with modest tax debt, so, and no serious
14 violations, and confirm they cannot be put into this
15 program?

16 LUCY JOFFE: Thank you for that question. So, um,
17 there's two, I think, pieces to that response. Um,
18 many of those folks will fall under some of the
19 exclusions that we've talked about. Um, that's a part
20 of the legislation that the Council and HPD need to
21 still sort of work out, but generally, uh, are quite
aligned around. Um, both, uh, ensuring that, uh,
folks who are living in their homes, who meet income
eligibility criteria, who, um, you know, are, are,

1
2 uh, veterans or older adults or have disabilities
3 would be excluded outright.

4 Um, but beyond that, uh, the changes from, uh,
5 statutory distressed to critical eligible, um, are
6 and introducing the balanced model really are also
7 meant to address all of those concerns from the last
8 program. Um, we do believe that, uh, we're gonna be,
9 ah, seeing larger buildings that are going to be, ah,
10 meet the critical eligible definition than under
11 statutory distress. Um, and they're going to be much
12 more distressed, both in terms of having, ah, the
13 physical and the financial, ah, distress and the, I
14 mentioned that they'd be larger, but the median
15 building size we really do expect to be, um,
16 something like 30 units a building, not some of the
17 smaller buildings we saw. And the block pickup
18 removal is also really critical to that.

19 What we saw the last time is that a lot of folks,
20 because they were on the block— on a block with other
21 buildings that were quite distressed, um, if they
22 otherwise met the minimum eligibility requirements,
23 could, uh, could be included. Um, and that's, uh, not
24 going to hap— we're not gonna have pickup under this
25 version.

1
2 COUNCIL MEMBER SALAAM: What targeted outreach and
3 technical assistance is HPD providing to landlords in
4 high-poverty communities of color before they reach
5 the distress threshold so TPT is truly a last resort
6 and not the first response?

7 KERRY LABOTZ: Sure. Um, thank you for that
8 question. So in terms of, um, properties that are
9 identified, uh, for the tax lien sale or removed for
10 the tax lien sale because they've met the eligibility
11 criteria, we're providing additional resources for
12 those owners to understand, uh, what's available to
13 them to have them removed from the lien sale.

14 We're establishing and recommending an agency
15 liaison as well as support for our owner's resource
16 center. The owner's resource center will provide
17 technical assistance as well as guidance on resources
18 to how owners can remove their buildings from the tax
19 lien sale.

20 Um, our additional notifications will have more
21 information both about the status of the building,
the conditions that are placing them in the tax lien
sale or making their— excuse me, making their
buildings vulnerable for in rem foreclosure, and
adding additional notifications both in statute and

1
2 programmatically so owners understand, um, all owners
3 understand where their buildings are and how they can
4 remove them and what resources they have access to,
5 to be removed, um, from the in-rem process.

6 COUNCIL MEMBER SALAAM: And Chair, if I may, just
7 one last one. Mhm. Once a distressed property in
8 Harlem is transferred to a third party, what
9 enforceable guarantees exist in the regulatory
10 agreement to ensure current Black and brown tenants
11 can actually afford to remain there after
12 rehabilitation, not just that the building is
13 technically stabilized?

14 KERRY LABOTZ: Uh, for all of our programs,
15 including TPT, these are non-displacement programs.
16 When we are working with the designated third party
17 to put together, um, rehab and financing plans for
18 the building, we're looking at the rents in place as
19 well as, um, the incomes of the tenants in place.

20 We are not rent burdening any tenants, um, which
21 we establish as 30% of their income for any program
receiving assistance from HPD and Preservation. In
particular for the TPT program, is a non-displacement
program.

COUNCIL MEMBER SALAAM: Thank you.

1
2 CHAIRPERSON SANCHEZ: Excellent, thank you. Um,
3 and we also have a position that is being created
4 through the current version of the bill. It's not
5 final. Uh, for an Ombudsman person. Can you, can you
6 speak a little bit to the agency's position on the
7 Ombuds person?

8 ROSA KELLY: Um, thank you so much. Uh, so we
9 definitely agree that customer service, um, sort of
10 the role that the ombudsperson would play is really
11 important. I think that's where we actually saw, um,
12 a lot of places for improvement based on how last
13 rounds of TPT have gone. Um, our recommendation is
14 actually more around an agency liaison, similar type
15 of responsibility, but instead of, ah, one person for
16 the whole thing, it's actually one person per agency
17 who is steeped in the— let's face it— pretty
18 complicated, um, ways that operationalizing a tax
19 enforcement program implicates DEP, DOF, and HPD.

20 Um, that agency liaison would be clearly
21 identified both on an, ah, agency website, um, so
22 folks would know who to talk to, um, and they would
23 be the right person to help dig deep, uh, be the
24 contact person for customer service type issues from
25 owners who are looking to navigate out of the

1
2 program, tenants who are wondering where they are in
3 the process if they find out that their building is a
4 part of TPT.

5 So we definitely agree with the goal of this
6 recommendation from the Council. We have a proposal
7 that we think gets to that goal.

8 CHAIRPERSON SANCHEZ: Okay. All right. Thank you.
9 Whenever— whenever we're not going from some somebody
10 has to— a private citizen has to deal with multiple
11 agencies to solve one problem versus, uh, you know,
12 having one person that they can go to for everything.
13 It's, it's not quite meeting the intent of why we
14 added that provision, but we can discuss further how
15 we can, uh, we can get it right.

16 Um, okay, so I, I wanna move to the surplus
17 equity, uh, provision in the legislation. Um, the old
18 program did not consider any remaining— any equity
19 that might be remaining at a property at the time of
20 transfer. Um, but there have been recent Supreme
21 Court decisions and others that would, would point in
the direction of requiring the city to consider such,
ah, such equity that could remain at a property. Um,
and so to that vein, the new program creates an
application process by which owners can apply for any

1 remaining equity in their equity following a
2 transfer. Um, can you speak to HPD's position on this
3 proposed framework, uh, allowing owners to claim any
4 remaining equity in their property in the event of
5 the— of a transfer? And in past rounds of TPT, was
6 there any instance of owners being returned any
7 version of a surplus equity?

8 KERRY LABOTZ: Um, thank you for that question.
9 I'll, I'll answer the last piece— piece first. The
10 current statute does not have a mechanism for, uh,
11 making a claim of surplus equity. Um, we agree that
12 owners should have a mechanism to be able to— first,
13 we need the statute to comply with the Supreme Court
14 ruling, and the owners should have the ability to
15 recoup, um, some of their equity in certain
16 circumstances.

17 Um, we are doing this, uh, through provide— so
18 owners have awareness, putting notifications, early
19 notification in, uh, outreach to the owners, as well
20 as adding a notification to the statute that will
21 instruct owners about how to make that surplus equity
claim.

CHAIRPERSON SANCHEZ: Thank you. Um, moving to, to
HDFCs, um, and I always like to start at, you know,

1
2 as I did in my testimony, like to start with the
3 background for why the city has this power of
4 municipal foreclosure. I think in conversations
5 leading up to today's hearing, uh, there's been a lot
6 of, a lot of questions about why is the city taking
7 properties, where is this coming from, and it's very
8 important that it is a power that we've had since
9 1976.

10 And so, so tracing back that history and looking
11 at what, you know, HDFC co-ops that we have in the
12 city today, so many of them came from that, right?
13 So, uh, we talked about in 1994, by 1994, uh, nearly
14 50,000 units were in the city's ownership, um, and
15 22,000 of those became HDFC cooperatives, about 1,000
16 buildings. Can you just give us a, a quick lay of the
17 land of what— how many HDFC cooperatives do we have
18 remaining in the city of New York that were
19 transferred through this mechanism or constituted
20 through this mechanism of third-party transfer or in
21 rem foreclosure before it? Um, and what is the
relative health of HDFCs in the city of New York?
HDFC co-ops, that is.

ROSA KELLY: Um, so I think we can get back to you
on, like, maybe more specific numbers, which we may

1 not have. Um, but we— I think also the way that we're
2 looking at this is that, um, HDFC co-ops are not
3 separated out, um, just because they're a part of the
4 tax class that is a larger universe. However, um,
5 because our intent is to identify the worst of the
6 worst, we, we're really separating it that way.

7 Um, we do know that, um, about— in, in our— some
8 of our statistical, uh, samples and when we've done
9 data analysis, um, about 30%, um, of the top 500
10 buildings, um, were HDFC or HDFC rentals.

11 CHAIRPERSON SANCHEZ: How many properties are 30%?
12 You're making me do math. 30% of 500 is 5 times 3,
13 160, 150, 160, yeah.

14 LUCY JOFFE: This would vary, right? I think that
15 the takeaway is that it does represent that portion,
16 um, of the total building. It would really vary, ah,
17 in a given year, year, but also depending on the size
18 of the sample. Um, but we do recognize that they are,
19 ah, you know, an important block here and something
20 that we know the working group has put a lot of
21 thinking into and we have with your team.

CHAIRPERSON SANCHEZ: And I understand that there
were 83 HDFC co-ops transferred in round 10. So this
is sort of consistent with an overrepresentation of

1
2 HDFCs. Um, do we know how— You said you don't have
3 this number today, or can you get how many HDFC
4 co-ops remain in the City of New York?

5 LUCY JOFFE: Um, we can get that for you. We
6 definitely have that number somewhere. I just
7 actually don't have it right in front of me, but
8 we'll make sure we get that for you.

9 CHAIRPERSON SANCHEZ: Okay, got it. Um, you
10 started to talk about this, but given this
11 disproportionate inclusion of HDFC co-ops in previous
12 TPT rounds and, and in this model, what is HPD's
13 stance on how HDFC in particular should be treated in
14 a reimaged version of the program? What unique
15 redemption options should be available to them? What
16 additional supports should they receive?

17 ROSA KELLY: Uh, well, I'll just say, you know,
18 we think that HDFCs will benefit, um, from a lot of
19 the additional, um, outreach and notifications that
20 we are putting in place here. Um, so, you know, I, I
21 do think that we are— first of all, the selection and
eligibility criteria is gonna change, or we are
proposing that it changes such that they are not
overrepresented, um, in future rounds of TPT.

1
2 Um, in addition, the supplemental notices and
3 outreach that we are proposing as part of the reforms
4 will absolutely benefit HDFC co-ops. Um, and so, you
5 know, we are holding ourselves to higher standards in
6 these reforms. Um, and we do expect that there will
7 be, um, a higher level of touchpoints because of
8 that, including with support from our owner resource
9 center, which is something that didn't exist in
10 previous rounds of TPT.

11 Um, anything else that maybe, er, Kerry, you want
12 to add here about that?

13 KERRY LABOTZ: Sure. Um, pardon me. Uh, just to
14 add, we are adding additional notifications, um, that
15 will give HDFC co-ops in particular— these
16 notifications will go to everybody, but HDFC co-ops
17 in particular will benefit from getting earlier
18 notifications in the process.

19 Um, we're also standardizing our payment plan so
20 it's clear to all owners how they can remove their
21 properties from the action. Um, Rosa mentioned the
owner's resource center.

We also have additional resources to homeowners
programmatically outside of DBT, outside of the tax
lien sale, through the Office of the Homeowner

1 Advocate and through the Homeowners Help Desk, both
2 of which were established in 2024, all to bolster
3 support for homeowners.

4 CHAIRPERSON SANCHEZ: Can you—

5 LUCY JOFFE: And we— oh, we know that there are
6 struggling HDC— HDFC co-ops in the city. We have a
7 number of programs to be able to support them so that
8 they don't get to this place and that's also
9 something we'd really emphasize. It's a huge part of
10 our homeownership focus is being able to help
11 stabilize existing homeowners where they need it.

12 ROSA KELLY: And if previous rounds, um, uh, they
13 were not allowed to petition to, um, become
14 cooperative owners once again.

15 In this round, we are actually, um, ah, putting
16 back into statute the ability for HDFC co-ops to
17 petition to reconstitute as co-op ownership once
18 again, even post-TPT.

19 CHAIRPERSON SANCHEZ: Yeah, thank you. Um, can
20 you— you said in that in your modeling, 30% of the
21 top 500 worst buildings were HDFC co-ops and rentals.
Can you give that breakdown between how many were
co-ops and how many were rentals?

1
2 ROSA KELLY: It's about 20%, uh, co-ops, 10%
3 rentals.

4 CHAIRPERSON SANCHEZ: 20% of the 30%?

5 ROSA KELLY: Yes. These are all-

6 CHAIRPERSON SANCHEZ: You guys going to help me
7 out with the math?

8 LUCY JOFFE: These are all estimates, right? They
9 are, uh, we've worked very hard on them, but we are-
10 they are- it would be subject in any given year to a
11 ton of variables. We want to help everyone sort of
12 understand what we're looking at here, but we also
13 wanna sort of avoid the perception that it would
14 always be that. Okay. So roughly 800- ah, 800 or 100
15 co-ops and 50 rentals, roughly. Roughly.

16 LUCY JOFFE: With a grain of salt, please.

17 CHAIRPERSON SANCHEZ: That's what my Excel formula
18 would say. Okay. Okay, Thank you and I know the HDFC
19 coalition is watching. They're submitting testimony,
20 but I, I do welcome the opportunity to talk further
21 about this, because HDFC co-ops were created through
in rem foreclosure. How- it, it's just poetic in the,
in the wrongest way for them to go through in rem
foreclosure again, uh, to lose that ownership, even
if they can re-petition. So, uh, welcome the

1
2 opportunity to talk more about how we can stabilize
3 these properties.

4 Okay, moving to Neighborhood Restore— and one
5 second. Moving to Neighborhood Restore, can you
6 describe the, the details of HPD's contract with
7 Neighborhood Restore and what is the financial
8 relationship that the city has with, uh, this entity?

9 KERRY LABOTZ: Sure. Thank you for that question.
10 Um, Neighborhood Restore is a critical partner to HPD
11 and was formed by LISC and Enterprise, um, to support
12 round 1 of TPT. We provide, uh, support
13 programmatically, um, and administratively to
14 Neighborhood Restore at the start of each round to
15 support their administrative functions overseeing,
16 um, the buildings as interim owner. Um, Neighborhood
17 Restore provides, um, immediate stabilization work as
18 soon as the properties are transferred through the in
19 rem foreclosure process.

20 They're doing tenant meetings, they're issuing
21 and working with tenants on establishing
rent-stabilized leases, as well as assessing
emergency conditions and addressing those conditions
within the building upon transfer.

1
2 Um, HPD enters into, um, uh, an agreement with
3 Neighborhood Restore at the start of each funding
4 round, and the relationship is, um, outlined in an
5 MOU between Neighborhood Restore and HPD.

6 CHAIRPERSON SANCHEZ: At the beginning of a round,
7 you said?

8 KERRY LABOTZ: We enter into an agreement, um,
9 where we provide funding at the beginning of every
10 round with Neighborhood Restore.

11 CHAIRPERSON SANCHEZ: All right, thank you. Would
12 you provide a copy of that contractual relationship--
13 the - a copy of the contract, uh, to this Committee?

14 KERRY LABOTZ: Um, we're happy to talk more about
15 that request, yes.

16 CHAIRPERSON SANCHEZ: Don't make us subpoena. No,
17 I'm kidding. Okay. Um, we're, we're all friends here.
18 Um, Okay, HPD previously testified that past
19 transfers on occasion have been reversed. Can you
20 share the circumstances that led to any sample
21 reversal or sample reversals? Uh, what was the exact
mechanism for reversing a transfer? Is HPD able to do
this through its contract with, with Neighborhood
Restore?

1
2 ROSA KELLY: I'll just start by, um, thank you so
3 much. I, I think we'll start by saying we agree that
4 there are definitely limited circumstances and past
5 president- precedent where, um, reversals have been
6 necessary.

7 Um, and moving forward, we are really striving to
8 carve out objective bases, um, that are fiscally
9 responsible. Um, so as I said, we are really trying
10 to, to be more intentional about our, um, objective
11 criteria for many, many parts of this program.

12 Um, but, uh, you know, in previous situations,
13 um, we recognize that, um, sometimes an owner has
14 attempted to address issues. So there have been
15 situations in the past where, um, we have reversed
16 transfers, um, because, uh, you know, certain
17 missteps along the way.

18 Um, we don't expect that to be, um, the case
19 moving forward because of the new criteria and much
20 of the smoothing out of the process that we've
21 identified, but, um, there are also objective
22 criteria that can trigger removal of a property prior
23 to a final judgment.

24 Um, that's things like the validity of a lien, or
25 maybe the city's already collected payment on all the

1
2 taxes and interest, so that can, um, uh, er, happen
3 when there's something subject to foreclosure.

4 Similarly, if charges are canceled, um, that is
5 also a situation where, um, we would reverse, and,
6 and then also, um, Uh, just a note here that, um,
7 applications for reversal would be subject to, um,
8 the In Rem Foreclosure Release Board, which is a body
9 that deals with this type of situation.

10 CHAIRPERSON SANCHEZ: What is the current status
11 of the In Rem Foreclosure Release Board? Uh, has it
12 been used in the past? More?

13 KERRY LABOTZ: Um, so we're supportive of keeping
14 the In Rem Foreclosure Release Board in the current
15 statute. Um, as Rosa said, there are limited
16 circumstances where we will work um, where reversal
17 will take place.

18 Um, we need to have clear and objective criteria
19 and limit discretion. Um, one piece that we are
20 recommending that we would like to continue
21 discussing is that the city will need to retain
discretion to reverse transfers where there's surplus
equity that cannot be supported, um, by the city.

CHAIRPERSON SANCHEZ: Do you have examples of when
the In Rem Foreclosure Release Board has been used?

1
2 KERRY LABOTZ: To my knowledge, we don't have any
3 recent examples of a release from the In-Rem
4 Foreclosure Release Board. We'd like to continue
5 talking about that provision with the Council.

6 CHAIRPERSON SANCHEZ: Thank you. What are
7 estimated costs for each of your agencies to
8 administer the program, um, in- in the- in Round 10
9 and moving forward to- if there is a Round 11?

10 KERRY LABOTZ: Um, sure. So in terms of looking
11 forward to a round 11, because we're still
12 negotiating this legislation, we are happy to keep
13 talking about what our estimates will look like once
14 we have finalized legislation. We do know that
15 staffing, capital, and programmatic support is
16 critical to the success of the TPT program and
17 ensuring we have good customer service and are able
18 to administer the program effectively. Um, hmm for
19 potential costs, we will need programmatic support
20 for the owner's resource center to support
21 Neighborhood Restore, to be able to support, um, the
appraisals that we'll need to conduct to estimate
surplus equity or assess surplus equity, um, as well
as to make surplus value payments, um, where
necessary and, and where supported.

1
2 We'll need specific staffing support as well as
3 capital support to ensure that we have dollars to
4 rehab, buildings that are coming through the in rem
5 foreclosure process and being disposed to, um, or
6 being transferred, ah, to a third-party designated
entity.

7 CHAIRPERSON SANCHEZ: Thank you. Can you, can you
8 talk a little bit about the process that the agency
9 imagines undertaking to determine the surplus value?

10 KERRY LABOTZ: Sure. So we have two pieces of
11 notification that will include information about the
12 surplus equity process. Ah, first, ah, for the final
13 warning notice that will include information to the
14 owner, uh, making them aware that there's an
opportunity to request, um, surplus equity and what
that process will look like.

15 In the statute, we are adding a notification, um,
16 that will be sent, um, that will require a report to
17 be sent to the owner that includes the assessment of
18 the surplus equity. Um, this notice will also allow
19 owners, um, an opportunity to dispute, to either make
20 that claim or dispute the, the findings of the
21 appraisal.

1
2 CHAIRPERSON SANCHEZ: And who is conducting the
3 appraisal?

4 KERRY LABOTZ: HPD will need to contract, um, once
5 we have final legislation in place. We need to
6 contract with a vendor to be able to complete those
7 as-is appraisals.

8 CHAIRPERSON SANCHEZ: Thank you. Um, and then
9 turning back to tenant ownership before, uh, turning
10 it back to my colleague Council Member Epstein, um,
11 how many buildings have, uh, successfully converted
12 to tenant ownership via previous rounds of TPT?

13 KERRY LABOTZ: Um, thank you. Yes, there are 73
14 tenant petition, um, properties supported through
15 rounds 1 through 10.

16 CHAIRPERSON SANCHEZ: And were those 73 tenant
17 petitions completed?

18 KERRY LABOTZ: Uh, 47 have converted, 13 have
19 remained long-term rentals, and 10 buildings are
20 pending conversion, um, and are post-construction and
21 loan conversion and 3 properties are in construction
and pre-development.

CHAIRPERSON SANCHEZ: And for the properties that
are long-term, the 13 properties that are long-term
rentals, the ones that are— have stalled in the

1
2 process, as we've been discussing, how does HPD
3 understand why that stalling has occurred?

4 KERRY LABOTZ: In limited circumstances, we- a
5 tenant petition is not able to successfully convert
6 into a co-op. I don't have exact information on the,
7 the 13 long-term rentals. I'd be happy to talk more
8 about those and their circumstances.

9 CHAIRPERSON SANCHEZ: Thank you. Um, so turning
10 to, um, the process to petition for tenant ownership,
11 um, in the TPT working group report, you all state
12 that Neighborhood Restore HDFC works with HPD and the
13 selected qualified third party to stabilize, engage,
14 and plan for rehabilitation and future ownership of
15 these properties. Can you break down for us who- what
16 is happening at each stage?

17 So, uh, the transfer occurs, the tenants are
18 working with a qualified third party. Is that
19 qualified third party then, um, the entity that also
20 helps them transition into ownership, or can you just
21 break down that process for us?

22 KERRY LABOTZ: Sure. Um, so at the start, uh, for
23 any building, and, and now this will include going
24 forward HDFC co-ops, uh, the building must meet the
25 minimum eligibility criteria to have the opportunity

1
2 to be a tenant petition, which is what we call the,
3 the, the future co-op process. Um, that is, the
4 building must have 10 or more units, it must be
5 occupied, um, 50% or more, and 80% of those tenants
6 have to indicate, um, an interest in homeownership,
7 a- as well as identify a designated entity from our
8 prequalified list, um, of entities.

9 That designated entity will take the project
10 through predevelopment, construction, and support the
11 co-op in forming, um, after construction has
12 completed.

13 CHAIRPERSON SANCHEZ: And so at which- at what
14 point, uh, does- is that final determination made
15 that we've done predevelopment, we've done
16 construction, um, the ten- the tenants have come
17 together and they've met the minimum criteria, at
18 what point does HPD then decide that the tenants can
19 become shareholders?

20 KERRY LABOTZ: Um, as I said, there are limited
21 circumstances where, where- where we are determining
that the project has not met the milestones. Um, I
don't have specific details about where in that
process. It is different for every co-op. We have to
ensure that the co-op is being formed to be

1
2 successful. I'd be happy to follow up and talk more
3 about instances in terms of, uh, past, past projects.

4 CHAIRPERSON SANCHEZ: Thank you Council Member
5 Epstein.

6 COUNCIL MEMBER EPSTEIN: If there's a history of
7 harassment, uh, in a building where findings of
8 harassment have been determined, is that a factor at
9 all in your determination whether a building can go
10 through TPT?

11 ROSA KELLY: Um, so not specifically. So again,
12 the criteria—

13 COUNCIL MEMBER EPSTEIN: That's great. Okay, not
14 specifically and it's not in the statute, right?

15 ROSA KELLY: No.

16 COUNCIL MEMBER EPSTEIN: So if there's a long-term
17 history of harassment, tenant's been suffering
18 through harassment, that is not a factor currently
19 that you'd wanna consider in whether a building can
20 go through TPT?

21 ROSA KELLY: Again, I think our objective criteria
that we've determined here does—

COUNCIL MEMBER EPSTEIN: Objectively, if someone's
defining harassment, that's a judge determination

1
2 that is harassment. That's an objective standard,
3 right?

4 ROSA KELLY: Yes, but we do have, um, lots of
5 preservation programs and support for buildings that
6 may not meet the criteria of TPT. We do expect that
7 buildings that are in physical and financial distress
8 excuse me, distress, um, may fall into that category
9 and be captured by this program.

10 COUNCIL MEMBER EPSTEIN: So I just want to focus
11 on the HCFCs, the 20% out of the top 500 are co-ops,
12 and about 10% of those rentals. Of those 10% that are
13 rentals, how many of those are, are- didn't get an
14 Article 11, uh, tax exemption, do you know?

15 LUCY JOFFE: So the numbers that we were giving
16 were sort of the hypothetical of what would happen if
17 it was in place today.

18 COUNCIL MEMBER EPSTEIN: No, I'm saying you said
19 there's 500 distressed buildings right now. You think
20 30% of them are HDFCs?

21 LUCY JOFFE: Sorry, let's go back to that a little
bit. That is analysis that we've done to say if this
was in place today and we were going to select a
hypothetical 500, how do we think that the model

1
2 would work out? So they're not actual buildings and
3 we can't speak to which-

4 COUNCIL MEMBER EPSTEIN: So we don't know if any
5 of those got any rehab at all from the city when they
6 converted? We don't know if they got an Article 11.
7 We don't know if they got system-wide work. We don't
8 know if the city supported them when those buildings
9 were converted to HDFCs, right?

10 LUCY JOFFE: Right. So it's a hype- they're
11 hypothetical buildings, so we can't speak to the
12 exact-

13 COUNCIL MEMBER EPSTEIN: So there might be
14 buildings who converted to an HDFC, like in my, just
15 my neighborhood, that didn't get any support at all
16 and never got an Article 11, may look distressed, but
17 they never got the gut rehab. Some of these newer
18 buildings are getting. That's possible, right?

19 ROSA KELLY: So that's certainly possible, yeah.

20 COUNCIL MEMBER EPSTEIN: So is there a way to view
21 those buildings differently, especially if some
22 buildings got rehab and other buildings didn't get
23 the support that they needed to get stabilized from
24 the beginning? They may have to spend their resources
25 doing the roof and the pointing and the kitchen

1
2 bathrooms on their own because HPD didn't initially
3 come in with the resources that they did with other
4 properties.

5 ROSA KELLY: Yeah, I, I think that this goes back
6 to our proposal for additional outreach and support
7 and off-ramps from TPT.

8 COUNCIL MEMBER EPSTEIN: Right.

9 ROSA KELLY: Um, in particular, we're making it
10 easier for owners, including HDFC cooperative owners,
11 um, to make payments by giving them access to more
12 clear, standard, and transparent payment plans, and
13 they can also, uh, apply to Article 11 support and,
14 and, um, get support through our preservation
15 rehabilitation financing programs, which would be an
16 off- you know, having- getting the financial support,
17 addressing the physical issues, those are off-ramps
18 to TPT for any owner, but we do believe that HDFC
19 co-ops will benefit from the reforms that we're
20 putting in place for that off-ramp.

21 COUNCIL MEMBER EPSTEIN: It's funny, because I had
a meeting with HPD the other day about an Article 11
for a building that's an HDFC that's been trying to
get an Article 11 for about 20 years, and we're like,
okay, we're ready to do the paperwork. They're like,

1 well, we don't have any Article 11 money this year.
2 Maybe you'll- we'll consider you for next year and
3 this is a building that's distressed because of the
4 taxes but need the support from HPD. How do we ensure
5 that the buildings that are in that process who are
6 trying to get the support but aren't able to get the
7 support can, you know, find a different path?

8 LUCY JOFFE: Um, we're happy to talk about that
9 building more. I know the exact building that you're
10 speaking of, um, is on that call. Um, we in general,
11 as Rosa said, we have support for these buildings. We
12 have Article 11s, we have, we have city capital. We
13 do need support for more resources in terms of making
14 sure that we're able to meet those goals.

15 COUNCIL MEMBER EPSTEIN: Yeah more resources,
16 Article 11s, more money is better for us. I agree
17 with you. Can I just- I know, um, you said 3 are
18 still in construction. This is from around from 2015,
19 right?

20 LUCY JOFFE: Um, oh, in terms of the tenant
21 petitions?

COUNCIL MEMBER EPSTEIN: Yeah.

LUCY JOFFE: So the round was, uh, started in
2015. Uh, transfers happened in 2018. Litigation was

1
2 still resolving on some of those transfers, which
3 delayed, um, our ability to move forward on those
4 buildings. That round 2 was subject— unfortunately,
5 we had delays during COVID so we have 3 buildings
6 from round 10 that we're working on right now.

7 COUNCIL MEMBER EPSTEIN: So, so 47 out of 37
8 converted, 13 long-term rentals. Basically 60% have
9 converted, 40% have not and so these are tenants who
10 initially submitted with the 80% saying that they
11 wanted to get into tenant ownership, and 40% of those
12 have no—not gotten into tenant ownership. That's what
13 I hear you saying, right?

14 KERRY LABOTZ: Uh, I can't confirm your
15 percentages because I can't do math that quick in a
16 hearing, um, but I will say that we are working with
17 a portion of these buildings to ensure they're
18 converting both on their—both on their construction
19 financing as well as into their—

20 COUNCIL MEMBER EPSTEIN: And this is from the
21 round from 2015, or 2018, depending on the year.

22 KERRY LABOTZ: Um, pardon me, the round 10
23 properties, those are the 3 that we were speaking of.
24 Those were subject to litigation, which delayed, ah,
25 work in those buildings. And in some instances—

1
2 COUNCIL MEMBER EPSTEIN: But those other buildings
3 are still-

4 KERRY LABOTZ: The other buildings were from prior
5 rounds. Um, so those are representing buildings that
6 are still either delayed in getting the co-op
7 conversion or delayed in construction. We had a lot
8 of construction delays.

9 COUNCIL MEMBER EPSTEIN: So, so 10 years. People
10 would be waiting 10 years and still waiting to do-
11 become a co-op.

12 KERRY LABOTZ: We're still actively working with
13 some buildings.

14 COUNCIL MEMBER EPSTEIN: All right, thank you.

15 CHAIRPERSON SANCHEZ: Thank you, Council Member.
16 I'm gonna ask a couple more rapid-fire to HPD, and
17 then I'm turning to, to sister agencies.

18 Um, the effect of the lien sale, uh, reforms on
19 third-party transfer. At the end of last session, the
20 Council enacted legislation amending the lien, uh,
21 lean bank and the lean sale process to allow a land
bank to approach foreclosure more holistically by
considering revenues, community need, and housing
conditions. How does the Administration envision

1 synergizing the new procedures for the land bank with
2 the proposed reforms to third-party transfer?

3 ROSA KELLY: So I'll start by saying our
4 definition for critical eligible is the real key
5 piece here. Um, this is something something that
6 would be, um, ah, er, would allow us to enact a round
7 of TPT regardless of an existing lien sale year to
8 year, but it also helps, ah, standardize that
9 definition of, ah, buildings that are most
appropriate to be removed from the tax lien sale.

10 In addition, we work with our partners, as, um,
11 our colleague from DOF mentioned, on, um, outreach
12 to— outreach and support for any homeowners and
13 property owners who are, um, potentially impacted by
14 property tax enforcement legislation. We envision
15 that moving forward through any reforms on, um, tax
16 lien sale, uh, land bank and, and other future
17 iterations of that legislation, we would continue to,
18 um, conduct outreach and provide support through many
19 of our neighborhood partners and in partnership with,
20 ah, our sister agencies like DOF and DEP.

21 CHAIRPERSON SANCHEZ: Thank you. Um, in terms of,
in terms of the, the process, uh, for, for
third-party transfer, uh, and the fact that it takes

1
2 2.5 years, uh, where it in the past did take 2.5
3 years on average, um, could you— does the, does the
4 agency have any perspective on shortening that
5 process, uh, especially with the consideration of,
6 uh, you know, focusing on the worst of the worst
through this critically eligible definition.

7 ROSA KELLY: Yeah, definitely. We, we know that
8 there have been, um, extended timelines. Um, as Kerry
9 mentioned, you know, some of this was, uh, a part of,
10 uh, COVID construction delays and, and many other
11 things that affected the timeline. We do think that
12 moving forward with clarified objective criteria, we
13 will have a more seamless approach to the transfer
14 process. Um, and we do expect that, um, given
adequate resources, we will be able to be more
responsive.

15 But again, it's very hard to predict, um, without
16 knowing the scale, cost, and outcomes of this program
17 as it's envisioned right now. We'll learn more year
18 to year, and every program at HPD is iterative. We're
19 committed to making sure that from year to year and
20 from round to round, the program is as best as it
21 could possibly be.

1
2 LUCY JOFFE: I would just add, we are, you know,
3 as the working group was, as we have been in all of
4 our discussions, balancing a number of really
5 important priorities. Um, clarity and intention is
6 really important here. Also making sure that we get
7 it right and you'll see that in particular, uh, that
8 we really need to bring that level of thoughtfulness
9 and, uh, possibility for us to adjust as we enter the
10 first couple of rounds of this, because that is
11 really important. We recognize the seriousness and
12 importance of this program.

13 CHAIRPERSON SANCHEZ: Thank you. With respect to
14 monitoring during the, the process, the in-rem
15 foreclosure process, uh, we're talking about
16 selection, a selection methodology that looks at
17 properties at a point in time and looks at the
18 violation counts, uh, at that point in time for the
19 last 3 years. How will HPD, um, and, and agencies be
20 monitoring, uh, for ongoing ongoing distress, or will
21 HPD be monitoring for ongoing distress throughout the
process?

LUCY JOFFE: Sure, and I might tap my colleague
behind me. Um, so I think the first point is that
these pro- these, uh, projects will all remain

1 subject to any of our, uh, normal enforcement
2 programs. So should there be concerns and complaints,
3 we will be responsive to those.

4 We will also, as we've talked about, conduct a
5 roof-to-cellar inspection. Um, uh, however, what I
6 wanna flag is that there might be difficulties at
7 different points in accessing the property as it's
8 moving its way through this process. We're aware of
9 that as a limiting factor and so we just wanna make
10 sure, um, that we're, ah, cautious about that, but
11 also, ah, all of the normal, ah, processes and tools
12 that HPD has at hand will continue to be part of our
13 toolkit.

14 CHAIRPERSON SANCHEZ: Thank you. Um, and finally,
15 for now, for HPD, at this Committee's hearing a few
16 years ago, you testified that 62 properties were
17 transferred in Round 10. Can you just give us an
18 update on these 62 properties?

19 KERRY LABOTZ: Sure, thank you for that question.
20 I'm happy to speak to that. Um, 64 properties, uh,
21 eventually have been transferred to Neighborhood
Restore as our interim owner. Um, that number
increased because of resolution of some litigation
post that initial 28-round. 43 of those properties

1
2 have been transferred to a third party, and 21
3 properties remain with Neighborhood Restore. Of the
4 43, uh, 16 have completed construction, and the
5 remaining 27 are mid-construction.

6 CHAIRPERSON SANCHEZ: So the 21 properties that
7 are still with Neighborhood Restore, can you describe
8 to us why they are still with Neighborhood Restore?

9 KERRY LABOTZ: Sure, 6 of those are vacant lots,
10 um, 15 are buildings. 4 of those buildings are in
11 litigation. The remainder of the buildings have
12 designated, um, entities, and we're working through
13 the pre-development process.

14 CHAIRPERSON SANCHEZ: How many vacant lots?

15 KERRY LABOTZ: Uh, 6.

16 CHAIRPERSON SANCHEZ: 6, Got it thank you. All
17 right, Um, you know, a, a very important part of this
18 conversation is just making sure that we- er, our
19 processes are as strong as they can be. So just
20 turning to the outreach, um, and what information
21 agencies have in order to do that outreach. Can you
talk- can each agency talk about what information or
how good your information is for property owners?

A couple years ago, HPD testified that you rely
heavily on the multiple dwelling registration. Has

1
2 that process moved online? Are you seeing higher
3 rates of compliance? Um, DEP testified that you
4 relied heavily on the registered to, um, the
5 ratepayers who are registered to my DEP? Have the
6 numbers, uh, increased for those registrations? And
7 for the Department of Finance, you said you, uh, rely
8 heavily on mail, um, and you don't require email or
9 phone in most interactions. Has, has that changed?

10 ANNETTE HILL: Um, we encourage our customers,
11 taxpayers to give us their email address, their cell
12 phone, um, at, at the time they interact with us. We
13 have changed all our forms for all our different type
14 of, um, applications, whether it's an exemption or
15 something in another area that's not dealing with,
16 um, the exemption unit, to have email addresses and
17 phone numbers.

18 Um, again, it ends up being up to the customer to
19 give us that information, but we do encourage it, and
20 it is asked on every application. As of now, we have
21 about 45,000 email addresses— I'm sorry, 55,000 email
addresses and about 45,000 cell phone numbers, but
it's encouraged at intervals when we talk to
customers to give us that information.

1 CHAIRPERSON SANCHEZ: Out of how many properties?
2 This is just residential or this is across?
3

4 ANNETTE HILL: This is across the board.

5 CHAIRPERSON SANCHEZ: So, across 1 million
6 properties in the City of New York, you have 55,000
7 email addresses?

8 ANNETTE HILL: Yes again, we encourage— we
9 encourage the customers to give it to us, but it's up
10 to them to, um, give it as we, um, deal with them.

11 CHAIRPERSON SANCHEZ: And so for these 55,000
12 email addresses and 45,000 cell phone numbers, what
13 is, uh, the Department of Finance's, uh, sort of
14 protocol for redundancy? Are you - are you emailing
15 every notice that you mail, or are you only emailing—
16 what, what do you use email for versus what you're
17 mailing?

18 ANNETTE HILL: Well, customers have to, um, have
19 to opt in to get emails. It's just not necessarily we
20 just send the emails out to them, um, but we will
21 email notification and notices. They write in from,
ah, um, a billing problem, we'll email them. If they
give us the email address through our, um, our, um,
system we use for dealing with, um, correspondence

1
2 and questions. If they write in, we'll email them
3 back that information.

4 Again, if we have it and it's a- and they want it
5 to be emailed, we'll email it back to them but they
6 have to opt in for email.

7 CHAIRPERSON SANCHEZ: So for property tax bills,
8 for, um, delinquencies, are you mailing and emailing
9 when you have contact information that is broader?

10 ANNETTE HILL: Yes.

11 CHAIRPERSON SANCHEZ: And what about for- now I'm
12 just being s- like, things like you, uh, that you
13 mail, like the notice of property value, are you also
14 emailing that?

15 ANNETTE HILL: Uh, let me just double-check with
16 my Counsel. We're not emailing the notice of property
17 value.

18 CHAIRPERSON SANCHEZ: And why not? Is it an opt-in
19 problem?

20 ANNETTE HILL: State law limits how we, um, we
21 have to send it through the mail. State law limits
that action.

CHAIRPERSON SANCHEZ: State law says you can't
email? Yes. Uh, in this case. Okay. Um, okay, thank
you.

1
2 ANNETTE HILL: I could get back to you. We'll
3 double-check to make sure, but as of now, it's state
4 law, and that's it but let's get back to you on that
5 to be sure.

6 CHAIRPERSON SANCHEZ: So HPD has a multiple
7 dwelling registration requirement for properties that
8 are 3, uh, units and above. One, you know, my, my
9 original question is, um, what is compliance with
10 that registration requirement look like? You know,
11 what is the rate that we're seeing for the
12 700,000-ish properties that we have, residential
13 properties we have in the City of New York, and why
14 isn't, why isn't there data sharing? Because 55,000
15 emails sounds like there's not data sharing.

16 ANNMARIE SANTIAGO: Thank you, Council Member. Uh,
17 so not every property that is DOF is required— thank
18 you— is required to register with HPD. Right now we
19 have a pool of about 170,000 properties that are
20 required to register with us, and that includes all
21 multiple dwellings, right, 3 units or more, and then,
uh, 1 or 2-family dwellings if the— neither the owner
nor their relative lives in the property, right?

So it's a significant difference. Um, of our
170,000, uh, properties, uh, we also have about

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

50,000, 45,000 emails. That covers about 100,000 properties, though. So obviously some people are registered for more than one property. Um, we use that information right now to, uh, email owners about complaints we receive and violations that are issued. It's not the official notification because, uh, we'd love to talk to you about that, too, in the future, but, uh, separate conversation.

Um, uh, property registration still requires a hard copy signature for us at this point. Uh, again, potentially a, a conversation for another day. Um, but most large properties are registered, so it's upwards of 90% of, of bigger properties in the city that are registered. We do have challenges registering small properties, 3, 4, 5-unit properties, and we continue to work on increasing that percentage. Perhaps simplifying some of the requirements would assist us to increase that percentage.

CHAIRPERSON SANCHEZ: Got it. Um, for— did you say that property registration requires, uh, that has to be sent in via snail mail?

ANNMARIE SANTIAGO: Yes, I did.

1
2 CHAIRPERSON SANCHEZ: Yeah, I saw that last night.
3 Um, not, not good. Let's, uh, can we change that in
4 the city? Is that city statute, or-

5 ANNMARIE SANTIAGO: We would be happy to continue
6 that conversation, Council Member.

7 CHAIRPERSON SANCHEZ: Great, okay we'll LS it
8 right now. Um, so there, there notwithstanding, there
9 are penalties associated with not registering with
10 the City of New York. I see subject, um, any, anyone
11 who fails to file as required shall be subject to
12 civil penalties between \$500 and \$1,500 for multiple
13 dwelling with 5 units or less. There's a lot of
14 thousands of dollars, uh, in, in this, uh, block of
15 text here. How often is HPD issuing those violations
16 for those 70,000 properties that you said you don't
17 have?

18 ANNMARIE SANTIAGO: Oh, we do issue violations
19 every year once the period passes for registration.
20 Um, we do not often seek civil penalties. Again, most
21 of those properties that fail to register are smaller
properties.

CHAIRPERSON SANCHEZ: For the universe that we're
talking about, um, focusing the new- the new program
on, the SAFER Act on, um, are you- how is your

1 coverage of contact information in terms of cell
2 phones, emails, and addresses for these properties?

3 ANNMARIE SANTIAGO: Again, this is a sample of the
4 200 and 500, but as the properties get larger, as it
5 goes from 10 units to 30 units, should we go to the
6 critical eligible definition, I think we will have,
7 you know, anecdotally we will have good coverage of
8 those properties.

9 CHAIRPERSON SANCHEZ: Including HDFC co-ops?

10 ANNMARIE SANTIAGO: HDFC co-ops are required to
11 register.

12 CHAIRPERSON SANCHEZ: Thank you. And so moving,
13 moving to DEP and ratepayers, um, there's this one
14 example somewhere in my notes of just a
15 misadminister- misadministration of, um, a tax- not a
16 tax lien, a water lien that was misapplied and a
17 property was transferred and then, and then it was
18 reversed. Um, but how, how is uptake with my, my DEP
19 looking in 2026?

20 ALBERT KRAMER: Absolutely, and Council Member,
21 uh, thank you for the opportunity to, to be here and
if I could just introduce myself, my name is Albert
Kramer, the Deputy Commissioner for the Bureau of
Customer Services. Um, and I also want to say that we

1
2 at DEP, um, are very supportive of TPT, um, the
3 public policy goal of helping tenants and to enforce
4 property taxes in a fair and equitable manner.

5 Um, so in terms of my DEP account uptake, we
6 have, uh, approximately 540,000 of our 8,038,000
7 customers that are enrolled. Um, that means for all
8 of those customers, we have email addresses. And just
9 to sort of, uh, go to the question before, before
10 addressing your, your current question, um, I think
11 the outreach and partnership that happened between
12 DOF, HPD, and the Mayor's Office for the FY25 lien
13 sale is a great model where DEP had email addresses
14 and actually very effectively we had cell phone
15 numbers for a lot of the folks that were on the lean
16 sale list. So for the first time, we shared those
17 with our agency partners so they could do text
18 message outreach, emails.

19 So I think there's opportunities to model that
20 here for third-party transfer if and when the program
21 were to move ahead so we take a city approach towards
22 outreach as opposed to those, ah, silos.

23 And in terms of your question, I believe you're
24 referring to a situation in which a payment was
25 applied to the wrong account. And so the, ah,

1 customer that was making the payment, we're reliant
2 on them to tell us which account number they wanted
3 to be applied to. Um, the fact that it was for a
4 TPT-type eligible property that went down this path
5 is a, a rare but ultimately unfortunate type of
6 situation. And I can just assure you that, you know,
7 going forward, uh, for a new population of TPT, um,
8 we would be manually reviewing these types of, uh,
9 accounts. We would be tracking whether payments have
10 come in. Um, and we would certainly do outbound
11 research and outreach to customers to ensure that,
12 you know, if they say, hey, I paid- I thought I paid
13 that bill, um, you know, we'll make sure that we take
14 that seriously, uh, to track that down or to help
15 ensure that they understand, uh, how much they owe.

14 CHAIRPERSON SANCHEZ: Thank you. That's, that's
15 great to hear about the, um, the sharing of
16 information and, you know, one of, one of the goals
17 that we have in this, uh, overhaul is to inform more
18 entities, more people, more, more folks about what is
19 happening.

19 Um, I think it's a wonderful and a great start to
20 have DEP share information with finance and HPD,
21

1
2 maybe even just beyond, uh, this program, but just in
3 general, there should be some sharing.

4 Um, but what about, um, our goal of sharing
5 information with tenants, with additional
6 shareholders, with, um, with more of the folks that
7 if they had, uh, some sort of early alarm, uh, that
8 their, their property was subject to transfer, the
9 per- or the place where they lived was subject to
10 transfer, that might activate further action. Um,
11 what, what does HPD, uh, have on that?

12 And in, in the case of DEP and DOF, for DEP, are
13 there ratepayers that are not the primary owner, um,
14 where you have information that you could share with
15 HPD? And similarly with DOF, do you have other
16 sources of information that could, uh, supplement
17 HPD's information?

18 ANNMARIE SANTIAGO: Thank you. We're, we're happy
19 to share any information we have of property with our
20 partners at HPD. We do, based on our tax bills,
21 sometimes we do get in where there's a third party
who, who is aware of the property, who might pay for
the, the, um, bill, or who wants to be on the
property records. Those information can be shared
with our partners at any time.

1
2 CHAIRPERSON SANCHEZ: But you don't— you're just
3 happy to moving forward? Have you had conversations?

4 ANNMARIE SANTIAGO: Right now we do share
5 information with DP about ownership. I'm not sure if
6 what prop— what information that they might not be
7 getting, but we could definitely take a look at it to
8 make sure that they're getting all the ownership
9 information that we have.

10 CHAIRPERSON SANCHEZ: Thank you. I mean, and, and
11 what I have in, uh, in mind here is if Department of
12 Finance has folks that are registered for SCRIE or
13 DRIE or, you know, er, any of these exemptions that
14 are tied to an address, ah, for a property that is
15 going through the new version of Safer Homes, um,
16 that information can be used to contact those folks
17 and alert them that changes.

18 ANNMARIE SANTIAGO: Yes, yes, I understand but
19 that's the same thing as we have people who also
20 registered to pay the tax bill that's related to,
21 like, a child paying for the parent. We could share
22 that information also because we do have, um, the,
23 the names on the record.

24 CHAIRPERSON SANCHEZ: Thank you.

25 ANNMARIE SANTIAGO: Thank you.

1
2 KERRY LABOTZ: Um, I can speak to the question
3 about, um, notifications of shareholders and
4 residents. Um, we agree that additional outreach and
5 notifications are necessary and support that, um, in
6 terms of the, the proposed legislation. Um, in terms
7 of what we are, we are recommending is, uh, I think
8 kind of two different types of notifications. One,
9 before the action commences, we'll be providing
10 additional notices. Um, as I mentioned earlier, these
11 early notices will go to the HDFC co-ops as well as
12 all of the building owners um, where their properties
13 may be vulnerable to in rem foreclosure.

14 We're also adding to the statute an additional
15 notice that will be posted within the building and
16 the building common areas where we're able to get
17 access, so tenants and shareholders are aware shortly
18 after the action commences that the building is at
19 risk of in rem foreclosure.

20 CHAIRPERSON SANCHEZ: So just, just to clarify, so
21 notice posted within buildings, sure, that's- it's
very clear how, you know, residents would be able to
see that.

The, the first early notice that you mentioned,
what- how is- what's the mechanism for shareholders

1
2 and tenants or residents to see that who are not on
3 the board, or if it's a co-op?

4 KERRY LABOTZ: Um, one of the things that we have
5 to balance, um, in terms of our notification is the
6 timing and the milestones, um, where alerting owners,
7 shareholder board, or the building owner versus the
8 tenants and shareholders has to be balanced with that
9 information.

10 So the early warning notice that I mentioned
11 would go to the building owner, so whoever is, is
12 registered and receiving those notifications
13 pre-commencement.

14 After the action commences and the building is
15 getting, you know, further along in the interim
16 foreclosure process, that is when we would alert, um,
17 tenants and shareholders in a building.

18 CHAIRPERSON SANCHEZ: Directly or through these
19 hallway postings?

20 KERRY LABOTZ: Through the postings.

21 CHAIRPERSON SANCHEZ: Okay, so just— I, I sat
through as a, as a, um, you know, humble staffer many
hearings where HPD talked about posting in, in
corridors and posting by elevators that tenants never
saw, that residents never saw.

1
2 So I just take my skepticism that they will see
3 it moving forward. I, I continue to be concerned
4 about that and want to ensure that we land on a
5 mechanism that has this information going before all
6 shareholders' eyes and residents' eyes.

6 KERRY LABOTZ: We're happy to keep discussing.

7 CHAIRPERSON SANCHEZ: Thank you. Um, okay, last,
8 last, uh, question here for, for DEP, unless somebody
9 flags for me that I didn't- I committed an egregious
10 error in not asking something.

10 Um, but on, on DEP's charges, and, and again
11 going back to, you know, the primary goal that all
12 properties are stable, everybody is in good
13 condition. Um, can you talk about the, the rates of
14 disputes of water and sewer charges? Um, how many
15 ratepayers in, say, the last fiscal year or two
16 dispute- disputed water and sewer charges with DEP?
17 And how do you help, um, how do you help New Yorkers
18 with, say, leak protection, right? Uh, if, if folks
19 have a leak, then they might see a doubling or
20 tripling of their bill, um, and how does DEP help New
21 Yorkers with that?

ALBERT KRAMER: Absolutely, so I'll start with the
last, uh, part of your question. So we, we offer

1 something called our Leak Notification Program, which
2 is that we, we have water meters and then we have a
3 smart reader that's communicating the readings
4 associated with that water meter and if we notice,
5 um, a large spike in consumption, um, we have an
6 algorithm in place to flag that for, for customers.
7 To let them know that they may need to— you'd be
8 amazed how much a running toilet, um, can lead to an
9 increase in one's water bill. Um, and so we're trying
as best as we can to proactively communicate that.

10 And then as a part of those proactive
11 communications, even if after fixing the leak, the
12 customer may see that their bill has increased, um,
13 as a result of that leak, and then we offer something
14 we call the Leak Forgiveness Program, uh, which
15 customers can dispute their bill or essentially apply
16 for that program that applies— that um, provides
relief up to 50% of the, uh, the, the increase in
their bill due to their leak.

17 Um, Council Member, I don't have on hand specific
18 dispute, um, stats about like the last calendar
19 fiscal year, but I will provide that as a follow-up.
20 Um, but what I will say, and this is something that's
21 very important to DEP, um, as part of all of our

1 enforcement processes, is, you know, we- if we make a
2 mistake or there's something off without a dispute,
3 we fix it. Um, and then when it comes to lien sale or
4 third-party transfer or any other enforcement, um,
5 process such as service terminations, you know, as a
6 matter of practice, we ensure that we review those
7 disputes, uh, before a determine is made-
8 determination is made.

9 If we don't feel that we can fully do that review
10 in the timeline we have, we'll remove that property,
11 uh, from that enforcement process, um, to really
12 ensure that that property goes through and is able to
13 exercise their full dispute rights.

14 CHAIRPERSON SANCHEZ: Thank you. That's helpful to
15 understand and similarly, Department of Finance, um,
16 especially in light of reforms that came through the
17 lien sale reforms that we undertook in the Council.
18 If a homeowner has outstanding property tax debt
19 today, what, what is, uh, what is DOF putting on the
20 table to assist these homeowners?

21 ANNMARIE SANTIAGO: We have several, um, several,
um, different type of payment plans that customers
could, um, enter into for, um, to be removed from the
lien sale.

1
2 We also, as, uh, my partner in DEP has said, if
3 there is an issue with trying to determine, um,
4 there's a problem with, with the payment, we will
5 remove any issues or any type of, um, research that
6 needs to be done. We'll remove that property from the
7 lien sale to ensure that it's not sold hold, um,
8 until we've resolved the issue.

9 We also have, as, um, Council, um, through the
10 Legislative Council, we have the easy exit removal,
11 which worked very well, where it gives up to 3 times
12 a person could be requested to remove from the lien
13 sale, um, with no, no questions. So just come to us,
14 fill out the form. We, we put this in place last year
15 at the 2025 lien sale, which worked very well.

16 We also have done, um, extensive outreach, which
17 have really helped during this last lean sale, where
18 we were able to tell the, um, customers the different
19 off-ramps they have to be removed from the lean sale.
20 Um, there was a new circuit breaker, PTA circuit
21 breaker, um, installment agreement that was
implemented, um, as well as our standard agreements
and all of their different exemptions at each
outreach session and every billing.

1
2 We also mention every single outreach that— I
3 mean, exemptions that people could possibly qualify
4 for.

5 CHAIRPERSON SANCHEZ: Thank you. It's good to hear
6 that those are— those things are— have changed after
7 the way that we envisioned them in the legislation.

8 Um, okay, my last question is on vacant
9 buildings, actually, for HPD. HPD's latest AEP report
10 states that since the program's inception, 254
11 buildings were discharged because they were vacant
12 for at least 1 year. What is HPD's plan for those
13 vacant deteriorating properties once they are
14 discharged? And if they are vacant— if these vacant
15 deteriorating buildings also have significant
16 financial problems, wouldn't they be strong
17 candidates for the reimagined third-party transfer
18 program?

19 ROSA KELLY: Could you repeat just the beginning
20 of the question?

21 CHAIRPERSON SANCHEZ: Wouldn't these vacant
properties, these vacant buildings that are—

LUCY JOFFE: No, I'm sorry, you— with the report
that you referenced that was talking about which
vacant buildings you're talking about.

1 CHAIRPERSON SANCHEZ: The latest AEP report.
2 The year '17 report, not the round '17 report.

3 LUCY JOFFE: Okay, thank you. We're, we're piecing
4 it together, apologies for the delay on our end.

5 Um, so those buildings would go through AEP as
6 they're doing if they are subject to the TPT
7 criteria, right, where they, uh, would meet both the
8 eligibility and the selection criteria, then they
9 would go through TPT.

10 If they don't meet the criteria, they would be
11 subject to any of the other enforcement programs or
12 remain in AEP. You know, I think this gets back to a
13 little bit of, uh, some of what we were discussing
14 with Council Member Epstein, sort of that sort of
15 balance of, of having that objective criteria. This
16 is primarily a tax enforcement program, so they
17 would- that would be sort of their first entry into
18 it, and whether or not sort of these tools as the
19 best, uh, direction for getting to stabilization, um,
20 is how we sort of set up getting to the balanced
21 approach model and using this, this way of doing it.
 If, however, they meet the criteria, then we do think
 that they are in a, you know, and they go through
 TPT, that that would make sense as a, as an outcome.

1
2 CHAIRPERSON SANCHEZ: Okay, thank you. Just
3 reviewing my notes here. I also— I just want to state
4 for the record and request, um, more thorough
5 response, um, an unrelated topic, uh, that's
6 connected to the cold snap deaths that happened
7 earlier this year.

8 Um, it is my understanding that there have been
9 15 cold snap deaths in the city of New York for
10 people who died of hypothermia in or adjacent to—
11 directly adjacent to their homes. It's connected to,
12 to what we're talking about here, you know,
13 potentially, depending on what the Administration
14 finds but please share with the public, share with
15 this Council what happened there. What were these—
16 where— what are these buildings, um, what were the
17 conditions there? Were these build— were these
18 properties known to the city?

19 I've asked these questions for a month now, and I
20 have not received a response. Uh, so if you have
21 anything, please share. Uh, but, uh, I did receive
responses last night that told me nothing, uh, from
City Hall and I, I just implore the Administration to
share this information with the public so that we can
make better decisions moving forward.

1 LUCY JOFFE: Yeah, we'll, we'll follow up.

2 CHAIRPERSON SANCHEZ: Thank you. All right, with
3 that, I want to thank the Administration for your
4 testimony today, um, for, for your hard work in
5 getting this legislation to where it is, and I look
6 forward to moving it forward. Thank you.

7 ROSA KELLY: Us too, thank you Council Member.

8 CHAIRPERSON SANCHEZ: All right. I will now open
9 the hearing for public testimony. I remind members of
10 the public that this is a formal government
11 proceeding and that decorum shall be observed at all
12 times.

13 As such, members of the public shall remain
14 silent at all times. The witness table is reserved
15 for people who wish to testify. No video recording or
16 photography is allowed from the witness table.

17 Further, members of the public may not present
18 audio or video recording as testimony, but may submit
19 transcripts of such recordings to the
20 Sergeant-at-Arms for inclusion in the hearing record.
21 If you wish to speak at today's hearing, please fill
out an appearance card with the Sergeant-at-Arms and
wait to be recognized.

1
2 When recognized, you will have 2 minutes to speak
3 on today's hearing topic of the third-party transfer
4 program, including the following legislation, Intro
5 Number 657. If you have written— a written statement
6 or additional written testimony you wish to submit
7 for the record, please provide a copy of that
8 testimony to the Sergeant at Arms. You may also email
9 written testimony to testimony@council.nyc.gov within
10 72 hours of this hearing.

11 Audio and video recordings will not be accepted.
12 And one moment while we pull up the first panel.
13 Okay, the first panel will consist of Oksana Miranova
14 of Community Service Society, Russell Crane of Legal
15 Aid Society, Robert Desir of Legal Aid, Lacey Tauber
16 of Borough President Reynoso's office, and Sonali
17 Govind of ANHD.

18 And whoever is ready can begin. When ready, get
19 cozy. Yeah, all right, great.

20 OKSANA MIRONOVA: Thank you so much. Um, thank
21 you, uh, Chair Sanchez, for your leadership on this
issue and for your leadership on, uh, issues related
to code enforcement in general. Um, we at the
Community Service Society have promoted economic
opportunity and well-being for low-income New Yorkers

1 since 1843, uh, and we have been at the forefront of
2 advocacy for better housing conditions since the
3 beginning, from the city's first tenement laws in the
4 1800s to contemporary organizing for strong tenants'
5 rights.

6 Um, we conduct a survey every single year every
7 year called the Annual Survey of Housing and Economic
8 Security. Um, and this year it has showed wide
9 housing, ah, quality issues across the rental market.
10 We found the greatest amount of, um, quality issues
11 among low-income tenants in particular and housing
12 voucher holders specifically.

13 Um, at the same time, we know that there are
14 specific landlords who have spent years deferring
15 maintenance in their buildings, making conditions
16 essentially unlivable for their tenants without
17 recourse. We see the same names on the worst, worst
18 landlord list every single year.

19 New York City needs stronger tools to stabilize—
20 thank you. New York City needs stronger tools to
21 stabilize buildings in financial and physical
distress and to hold bad landlords accountable.
Dovetailing with broader tax lean sale reform, the
SAFER Homes Act would create, uh, such a tool. It

1
2 would improve TPT, um, its targeting, and increase
3 outreach to building owners.

4 The revamped program will focus on buildings in
5 most severe physical and financial distress while
6 clearly communicating with owners and residents alike
7 throughout the process.

8 We are particularly excited about SAFER Homes,
9 um, potential to expand the pathway for tenants to
10 create new low-income co-ops, uh, creating a new
11 pathway for new social housing creation. CSS offers
12 our full support to the Safer Homes Act.

13 CHAIRPERSON SANCHEZ: Thank you.

14 RUSSELL CRANE: Good afternoon, Council Member.
15 I'm Russell Crane, I'm a staff attorney at the Legal
16 Aid Society's Housing Justice Unit, Advocacy Unit.
17 Uh, it's great to be here today, um, uh, in front of
18 you. Uh, to begin with, uh, want to just express, uh,
19 deep thanks for your advocacy and leadership, uh,
20 with regard to your, your constituents and, and our
21 clients at, uh, 2201 O5 Davidson.

Um, and, uh, wanted to talk about, uh, that
building, uh, because it shows the importance of the
legislative, uh, before you, the Safer Homes Act.

1
2 So 2201 05 Davidson is a 49-unit rent-stabilized
3 building in the University Heights neighborhood in
4 the Bronx. And it's- it is an example of, uh, what
5 happens when, uh, there's a building that remains in
6 limbo, uh, for a long period of time from a
7 neglectful owner. Um, and, and what can happen when
8 that, that exists for a long time.

9 So 2201 Davidson had experienced neglect many
10 years ago. Um, in 2015, the city, uh, had placed 2201
11 Davidson into round 10 of the TPT program, um,
12 because there were already millions of dollars in
13 property tax debt, uh, in deplorable conditions in
14 the building. Uh, the people who then took control of
15 the, uh, the LLC owner of the building, managed to
16 stop the TPT program through a federal bankruptcy
17 filing.

18 Um, but after doing that, it became clear that
19 they had no plan to, uh, to resolve this property tax
20 debt owed to the city and to address the conditions.
21 Um, so because of the, the bankruptcy filing, it
stopped the TPT transfer process. The city, uh, and
the tenants, um, asked the bankruptcy court to
dismiss the case because the owners didn't do

1
2 anything in bankruptcy court to resolve the property
3 tax debt with the city.

4 It was finally dismissed from bankruptcy court in
5 2018, uh, and had the TBT program been functioning
6 then, the building could have proceeded into the TBT
7 transfer process without the building conditions, uh,
8 worsening, which has happened over, uh, the preceding
9 8 years. Um, so they, at that time then, the Davidson
10 tenants, uh, found themselves in this world where,
11 uh, there was an owner that had no plan, long-term
12 plan to resolve the debt, no long-term plan for
13 repairs, uh, but there was no- nothing the city, uh,
14 had available at the time because of the, the legal
15 complications with the existing TPT program.

16 Um, and so it was I mean, the- it was deeply
17 difficult, uh, for tenants who are living at the
18 building. And, um, I wanna say also our organizing
19 partners, uh, from Northwest Bronx, our, our Bronx
20 are, are also here and, uh, one of the tenants from
21 Davidson who you may, uh, hear from in, in just a bit
about what it was like. But I mean, the elevator
stopped working for, for 2 years at the, er, at the
end. Um, leaving people having to walk 6 flights, uh,

1 mentioned, uh, leaks, um, and, and vermin
2 infestations. So deplorable conditions.

3 Uh, the owner completely stopped even cleaning
4 common areas of the building, so tenants had to come
5 together themselves to pool funds, uh, to, to do
6 cleaning. Uh, another aspect that, that I think is
7 com- happened in Davidson is common in these
8 buildings is that because the owner was leaving the
9 building, the, the front door lock was broken. So
10 trespassers would enter and Davidson tenants felt
11 threatened by people who would come into their
12 building who shouldn't have been there.

13 Um, but ultimately because of tenants' advocacy,
14 ah, and, ah, and, and, and with your support, the
15 building was finally able to be moved into the TPT
16 transfer program, but I think it it stands as an
17 example of, um, where, um, you know, had it been able
18 to happen earlier, some of the conditions that now
19 will cost more and take longer to fix could have
20 been, could have been addressed earlier.

21 CHAIRPERSON SANCHEZ: Thank you and I, and I know
I, I'm supposed to cut, cut folks off at the 2-minute
mark, but I know that there were so many years that
you were working on this case, and I just want to

1
2 personally again thank you for, for that work with
3 2201 Davidson, because we wouldn't be be here, uh,
4 without that and the work of Northwest Bronx. Thank
5 you.

6 ROBERT DESIR: Uh, thank you, Council Member, for
7 the opportunity to testify. We appreciate the
8 Council's continued leadership in strengthening tools
9 that address distressed housing while preserving
10 affordability and housing stability.

11 Um, sorry I didn't introduce myself. I'm Robert
12 Dazier of the Legal Aid Society Civil Law Reform
13 Unit, and we're very thankful for your leadership in
14 bringing this legislation and the work that you have
15 done with our, um, clients in the Bronx.

16 Um, first, this legislation is necessary because
17 traditional enforcement tools often fail when
18 buildings fall into severe financial and physical
19 distress. The Legal Aid Society's economic equities
20 and group advocacy projects regularly work with
21 tenants and small homeowners facing these conditions.
During these periods where ownership has effectively
walked away or lacks capacity to maintain the
property, tenants stay in place while essential
services fail.

1
2 The TPT program is critical because it provides a
3 mechanism not just to enforce violations but to
4 transfer distressed buildings to responsible
5 ownership capable of rehabilitating them and
6 maintaining safe affordable housing.

7 Secondly, Intro 657 strengthens protections for
8 the tenants who are left behind in these distressed
9 buildings. The bill promotes earlier intervention and
10 clearer enforcement standards so that buildings
11 experiencing severe deterioration can be addressed
12 sooner. It also improves transparency and
13 communication.

14 For tenants, this means a greater likelihood that
15 longstanding hazardous conditions will be addressed
16 and that their homes will remain affordable and
17 secure during and after ownership transitions. At the
18 same time, this legislation appropriately
19 incorporates protections for small homeowners.

20 Finally, the success of this legislation will
21 depend on strong implementation. Tenant participation
in issues such as management selection and major
rehabilitation decisions must remain central. Strong
oversight of successor sponsors is also essential to
ensure that repairs are completed and buildings move

1
2 toward long-term stability. The program must be
3 supported with adequate financial and technical
4 resources, including training and support for
5 buildings transitioning to cooperative or nonprofit
6 ownership models.

7 Again, we thank you for the opportunity to
8 testify. Our written testimony will be submitted
9 shortly. Um, we look forward to any questions.

10 CHAIRPERSON SANCHEZ: Thank you.

11 LACEY TAUBER: Good afternoon, Chair Sanchez, and
12 thank you for holding this hearing today. Uh, my name
13 is Lacey Tauber. I'm representing Brooklyn Borough
14 President Antonio Reynoso. Who wants to thank you and
15 your team for giving this legislation the time,
16 attention, and thoughtfulness required for it to be
17 successful.

18 Uh, since 1996, the TPT program has been an
19 important tool in the city's toolbox to hold
20 landlords accountable, protect tenants, and preserve
21 and improve affordable housing. Its goal is to
transfer properties with high municipal debt and poor
living conditions from delinquent landlords to
responsible owners. However, the program's existing
enabling legislation contains multiple issues that

1
2 caused too many properties, including owner-occupied
3 homes, to be swept up in the last round. This led to
4 unnecessary foreclosures and lawsuits and undermined
5 the program's purpose.

6 The SAFER Homes Act addresses these issues and
7 creates the framework for a more targeted program
8 that focuses on the most distressed properties, those
9 with the highest levels of debt and hazardous or
10 immediately hazardous violations. This can range from
11 mold and leaks that can cause long-term health
12 problems to fire safety, security, or structural
13 conditions that put tenants in imminent risk of harm.
14 The legislation also adds crucial changes identified
15 by the city's TPT working group, including enabling
16 the— I'm sorry, including ending the problematic
17 block pickup provision, adding more robust outreach
18 requirements, and giving HDFC co-ops the opportunity
19 to become co-ops again after transfer.

20 It promotes opportunities for tenant ownership,
21 adds community land trusts and eligible third parties
for property transfer and creates a path for vacant
land and unoccupied buildings to be redeveloped,
increasing opportunities to create social housing.
Additionally, it adds a new provision to protect

1
2 against legal challenges by allowing property owners
3 to claim surplus equity.

4 Two weeks ago in Brooklyn, the Administration
5 held its first rental ripoff hearing where hundreds
6 of Brooklynites came out to tell the mayor about
7 their poor living conditions. For some of these
8 tenants, a different enforcement mechanism may be the
9 right option to get their issues addressed. But for
10 those who are suffering through the most hazardous
11 situations brought on by the most neglectful
12 landlords, the Safer Homes Act gives the city the
13 tool it needs to step in and restore their quality of
14 life while maintaining rents they can afford.

15 Thank you again for holding this hearing. The
16 Borough President will continue to be a partner in
17 this work to stabilize our neighborhoods and deliver
18 accountability for our city's renters.

19 CHAIRPERSON SANCHEZ: Thank you. Thank you.

20 SONALI GOVIND: Good morning, Chair Sanchez. Uh,
21 my name is Sonali Govind, and I am the housing policy
associate at the Association for Neighborhood and
Housing Development, a leading policy and advocacy
organization representing over 80 nonprofits whose
missions center, um, on affordable housing.

1
2 ANHD strongly and enthusiastically supports the
3 SAFER Homes Act. For too long, tenants in New York
4 City's most distressed buildings have endured
5 hazardous conditions and chronic neglect while
6 bad-acting landlords evade accountability. The Safer
Home Act fixes that.

7 For the first time, New York City will have a
8 clear pathway to move the most distressed buildings
9 into nonprofit ownership. Stewards with a proven
10 track record of maintaining affordability and
11 remaining accountable to the people who actually live
12 there. We want to acknowledge that several provisions
13 in this bill directly reflect recommendations we
14 raised in prior testimony, and we commend Council
Member Sanchez, um, for her genuine responsiveness to
stakeholder input.

15 Um, we urge the Council to pass the bill. New
16 York City's tenants cannot afford to wait. Thank you.

17 CHAIRPERSON SANCHEZ: Thank you so much. I, I just
18 want to take a moment to, to thank you, Oksana, to
19 thank, uh, Community Service Society, and really
20 every single one of you for your engagement on, on
21 this process. Um, I, it feels like, it feels really
strange to be up here and receive testimony and even

1
2 the conversation with HPD that was sort of calm after
3 what, can I curse on the air? What was, was a bleep
4 storm in 2018, um, you know, of folks calling for a
5 moratorium, calling for the, for the end of this
6 program, calling for, you know, absolute change, uh,
7 you know, compared to where we are today is just a
8 testament to having you all engaged in the
9 conversation all those years.

10 I didn't have all these grays when these
11 conversations started. Um, but just thank you, and,
12 and in particular, thank you to Community Service
13 Society for, for your preparation, um, in the last
14 couple weeks for this morning. And, um, yeah, just,
15 just all the conversations. Thank you.

16 I'll now call the next panel, um, Sal D'Avola
17 from Neighborhood Restore, Melanie Salazar from
18 Center for New York City Neighborhoods, Arielle Hersh
19 from UHAB, Noah Loesburg from Jefferson Arms HDFC,
20 and Will Spisak from New Economy Project. And
21 everything I said applies to y'all too and whoever is
ready can begin.

SAL D'AVOLA: Is it on? Now it's on. Okay. Good
morning. My name is Salvatore D'Vola. I'm the
executive director of Neighborhood Restore Housing

1
2 Development Fund Corporation. Thank you, Chairperson
3 Sanchez and members of the Committee for the
4 opportunity to speak with you today. Um, at the last
5 hearing on this matter, I went well over my time, so
6 today I'll keep my remarks brief and submit my full
7 written testimony for the record.

8 The reintroduction of this bill is an important
9 step forward. It gives the city a renewed path to
10 address the needs of some of our most vulnerable
11 residents, people living in buildings that are both
12 physically deteriorated and financially distressed.
13 For the past 8 years, while municipal foreclosures
14 have been paused, the city has had very few tools to
15 take control of properties where negligent landlords
16 ignore unsafe and at times life-threatening
17 conditions.

18 The bill is the product of years of
19 collaboration. Government agencies, housing
20 advocates, and both nonprofit and for-profit
21 affordable housing partners have all worked together
to try to get this right. We are grateful to you,
Councilperson Sanchez, and your staff for leading
this effort. Neighborhood Restore supports the

1
2 legislation, and we look forward to continuing the
3 conversation as it moves toward adoption.

4 Neighborhood Restore was created 27 years ago
5 specifically to oversee the management of properties
6 foreclosed upon by the city. Through the third-party
7 transfer program, we take title to these properties
8 on an interim basis, stabilize them, and prepare them
9 for long-term ownership by community-based
10 organizations. Our temporary stewardship gives our
11 partners the time and support to build relations with
12 their tenants, assess building needs, secure
13 financing, and plan rehab, all while overseeing the
14 day-to-day operations on our behalf. Our organization
15 is unique in its experience of owning, stabilizing,
16 and transitioning some of the city's most distressed
17 housing.

18 We recognize the challenges inherent in crafting
19 legislation that must account for diverse building
20 types, ownership structures and financial
21 circumstances. It's critical to provide pathways for
responsible owners who face temporary financial
hardship and need support to stabilize their
properties. However, it is essential that the program
prevent negligent owners from exploiting procedural

1
2 delays to avoid accountability while tenants continue
3 to suffer.

4 This bill strikes that balance, offering help
5 where recovery is possible and intervention where it
6 is not. TPT has long been an effective tool against
7 abandonment and displacement and improves the housing
8 quality for low-income families and helps stabilize
9 neighborhoods. The improvements proposed in this
10 legislation will make the program even stronger,
11 gives the city better tools to intervene early,
12 offering help to the owners who can recover and
13 decisive action when they cannot. Thank you again. I
14 went over again, sorry.

15 CHAIRPERSON SANCHEZ: It's much, much better
16 though. Um, thank you, and I will have some questions
17 for you.

18 SAL D'AVOLA: Oh, you want to ask questions now or
19 you want them to test?

20 CHAIRPERSON SANCHEZ: Let's hear from everyone.

21 MELANIE SALAZAR: Great. Good afternoon, I'm
Melanie Salazar. I'm Advocacy and Public Affairs
Manager at the Center for NYC Neighborhoods. Thank
you.

1
2 Um, I would like to thank Chair Sanchez and
3 members of the Council for holding today's hearing on
4 the Safer Homes Act. The center promotes and protects
5 affordable homeownership across New York City and
6 statewide.

7 Um, and we are supportive of the Safer Homes Act
8 and the intent of the third-party transfer program,
9 which was created as a tax enforcement and housing
10 stabilization tool, um, to ensure that we're keeping
11 buildings safe and habitable and affordable for its
12 existing residents.

13 We're also supportive of the reforms put in place
14 to ensure that TPT focuses on homes and buildings
15 with true distress and severe violations and does not
16 repeat patterns of displacement that proportionately
17 affected low- to moderate-income BIPOC communities,
18 holding the worst of the worst accountable.

19 Our overall messages focus on making TPT a
20 surgical tool focused on buildings with worst
21 distress and not small owner-occupied properties that
can be stabilized with help. Um, we recommend
exemptions for 1 to 4 family homes, and we urge
further support so that owners can resolve problems
early.

1
2 Um, here we go. We appreciate this Committee
3 taking into consideration our prior recommendation
4 for a separate preservation pathway for Tax Class 1
5 properties, and we urge continued exemption of these
6 properties and continued investment to help
7 homeowners stay in their homes.

8 Um, most small property owners aren't trying to
9 fail their tenants or lose their homes, which is why
10 the city should ensure clear, proactive, multilingual
11 outreach, um, paired with tools that work for Tax
12 Class 1 properties.

13 We want to highlight additional work and language
14 is still needed to ensure homeowners— especially
15 owner-occupied properties, are still supported and
16 aware of the off-ramps and alternative pathways
17 available to them. Great. The rest is in our
18 testimony. Thank you.

19 CHAIRPERSON SANCHEZ: Thank you.

20 ARIELLE HERSH: Hi, um, Chair Sanchez, members of
21 the Committee. Um, thanks for holding today's hearing
and for the opportunity to testify. My name is
Arielle Hersch and I'm the Director of Policy and New
Projects at UHAB.

1
2 Uh, UHAB has served as a sponsor for 43 TPT
3 projects since 2002. Um, 31 of those that became
4 co-ops, 8 of those that ended up as long-term
5 rentals, and 4 still in the pipeline. Uh, we also
6 provide technical assistance to about 1,200 HDFC
7 co-ops across the city, including about 330 co-ops,
8 um, with some level of physical in financial
9 distress, which is up 25% since 2020, a really
10 alarming increase.

11 I have a couple general things. We'll also submit
12 our testimony, um, but I do want to mention that
13 we're facing a real backlog of buildings, um, since-
14 in limbo since the last round in 2018. Um, we're
15 hearing from these residents, there are no places for
16 them to go. Our code enforcement system has really
17 let them fall through the gaps, and we will need
18 additional funding and resources to ensure that the
19 next round is comprehensive and addresses, um, the
20 severe need in these properties.

21 Um, the other points that I have around HDFC
co-ops specifically, um, I heard, uh, HPD today flag
that HDFC co-ops perhaps should move with all other
Tax Class 2 properties. I think that, you know, this
is really different. Um, you know, co-ops, condos,

1 smaller homes are all sort of moving with a, a longer
2 and more extended, enforcement timeline. Uh, HDFC
3 co-ops, I think, also deserve to sort of fit in that
4 category. Um, and, you know, this reinforces some of
5 the overrepresentation of HDFC co-ops in TPT already.
6 Um, we know through our own work that there are about
7 60 co-ops that are in the HPD loan pipeline waiting
8 for financial relief and physical upgrades that would
9 get their buildings out of distress.

10 That matches pretty well, um, with the number
11 that, uh, looks like, uh, you know, I mean, we may
12 pull for another round. Um, and I really do wanna
13 also appreciate the changes that were made, um, to
14 create off-ramps for HDFC co-ops that don't
15 exclusively focus on payment plans. Um, these
16 distress issues— may I continue? Um, often come back
17 to governance challenges, and working with an
18 HPD-approved monitor to create a workout plan that
19 addresses comprehensive physical and financial
20 distress really allows time for governance change to
21 to address those issues and give HDFC co-ops the best
track— the best shot to get back on track.

Uh, standardizing payment plans, while
well-intentioned, may actually work against this

1 goal, and would love to further discuss that. Um, I
2 will also add one recommendation here, that, uh,
3 we've seen that, um, HPD Pres Finance, which oversees
4 the TPT program, is really excellent in their work.
5 However, for tenant petition buildings, um, they may
6 actually be are better served under HPD's
7 Homeownership Opportunities and Preservation, um,
8 sort of bucket, along with ANCP, Open Door, um,
9 Shared Equity, and CLT programs that are headed
towards the same path.

10 Uh, we've had experiences where TPT project
11 managers don't understand that tenants need HDFC
12 co-op training and aren't checking for those
13 milestones and really staying on top of that. Um, and
14 we're also seeing that most of these projects are
15 currently being financed as rentals with co-op
16 fallback plans rather than co-ops with rental
17 fallback plans, which makes tenants suspicious that
18 we're not actually honoring their wishes in addition
to the, you know, programmatic issues that come
alongside that.

19 Um, and, you know, there are some real issues in
20 the conversion phase of those projects, which I think
was alluded to in the testimony before that we'd love

1
2 to sort of talk about in specific. I will leave it
3 there because I'm over. Thanks.

4 CHAIRPERSON SANCHEZ: Thank you.

5 WILL SPISAK: This on? Okay. Um, good afternoon,
6 um, Chair Sanchez, and, uh, thank you for the
7 opportunity to testify. My name is Will Spisak. I'm
8 senior policy strategist at New Economy Project. Uh,
9 we're a citywide organization that works with
10 community groups, uh, to build, uh, cooperative and
11 community-led, uh, solutions, um, including
12 supporting community land trusts.

13 Um, I want to, uh, testify today, um, in support
14 of SAFER Homes Act. Um, increasingly tenants living
15 in hazardous building conditions are organizing with
16 COTs, uh, to reclaim their homes from speculators.
17 Um, and the SAFER Homes Act gives the city, uh,
18 powerful authority to engage qualified third-party,
19 um, uh, developers to rehabilitate and take ownership
20 of neglected buildings, including COTs.

21 Uh, COTs are community-governed nonprofits that
own land and to take it off the speculative market,
um, and hold it permanently in affordability. CLTs
build local membership bases and bring together
building residents, uh, members of the broader

1 surrounding community, and technical assistance
2 providers to form a tripartite board. Um, through
3 these governance structures, CLTs engage residents in
4 ongoing, uh, land stewardship.

5 So the Safer Homes Act provides a unique
6 opportunity to take properties that have been long-
7 neglected, um, and exploited by predatory landlords
8 and convert them into lasting neighborhood assets
9 with tenants and local residents in the surrounding
10 community directly leading the stewardship of these
11 properties, um, through, ah, prioritizing CLTs in
12 dispositions.

13 So the bill as drafted requires HPD to consider
14 whether a third party applying for property
15 disposition is a responsible legal tenant, nonprofit
16 organization, neighborhood-based for-profit
17 individual or organization or community land trust.
18 Uh, but we urge the Council to strengthen this
19 provision, uh, for example by prohibiting awarding
20 property to a for-profit entity unless no qualified
21 legal tenant nonprofit or community land trust has
expressed willingness to partner with HPD— may I
finish?

CHAIRPERSON SANCHEZ: Yes.

1
2 WILL SPISAK: That's it. And um, ah, secondly
3 prioritizing legal tenants nonprofits and, uh,
4 for-profit individuals or organizations that are
5 committed to partnering with community land trusts.

6 Um, Council Member Epstein asked the question of
7 HPD, um, about, uh, guaranteeing tenant ownership.
8 Um, so we wanted to flag this as one layer that we
9 can add to the implementation of this program is to
10 prioritize CLTs which may partner with mission-driven
11 developers or tenants, um, uh, to guarantee that
12 tenants have direct representation on the board and
13 can help steward the property into tenant, uh,
14 ownership eventually, um, and avoid the problem that,
15 uh, Council Member Epstein flagged.

16 And lastly, I just want to, um, directly address
17 HPD's comments on vacant land. Um, so vacant lots in
18 gentrifying neighborhoods have long been the target
19 of predatory speculators. In 2021, we actually did an
20 analysis of the 10-day lien sale list and found that
21 there were 392 lots that were at least 2,500 square
feet or larger, zoned for residential development
that were headed into the lien sale.

Um, so that represented about a potential 4,000
units that could be developed, and the city was

1
2 forfeiting its power, ah, and leverage to, um,
3 steward those properties into responsible ownership
4 and develop the affordable social housing that we
5 need. Um, so we think including vacant lots, um,
6 would be a really important way of breaking that
7 cycle of speculation, um, and making sure that, uh,
8 CLTs and other responsible, um, mission-driven
9 developers can, uh, build on those properties. Thank
10 you so much.

11 CHAIRPERSON SANCHEZ: Thank you.

12 NOAH LOESBURG: Ah, greetings, Honorable Chair and
13 Committee Members. Ah, I am Noah Loesburg, board
14 president at Jefferson Arms HDFC, a third-party
15 transfer co-op newly formed in 2021. I'd like to
16 offer my experience and hope it serves to support the
17 proposed rule changes under discussion.

18 Tenants in my building began organizing to enter
19 third-party transfer in the mid-aughts. The co-op
20 took over a decade to be stood up, with the sale of
21 the final unit by our third-party sponsor happening
just last year.

Unfortunately, relations with our sponsor
declined as flaws and omissions in the building
rehabilitation became apparent. We are currently in

1 negotiation with HPD to fund a second loan and
2 capital construction project intended to correct the
3 problems from the first round of construction.

4 While the reforms— reforms proposed here today
5 don't speak directly to the challenges my building
6 has faced, uh, they do push towards better
7 transparency and communication throughout the
8 conversion process, a larger pool of qualified
9 third-party sponsors, and closer oversight from HPD
might have been a great help to us.

10 Uh, despite a difficult process, my neighbors and
11 I are very proud to be an HDFC. We are a small
12 population in relation to the needs of all New York
13 City residents facing housing insecurity. Uh, but as
14 co-op shareholders, we are relieved of the pressures
15 of New York's unsustainably distorted rental market.
16 Reforms that strengthen and expand the third-party
17 transfer program will add more and healthier HDFCs to
18 New York's housing stock. And if I may pull back the
19 lens a little bit further, I believe it is It's
20 become painfully clear that social housing of many
21 types is necessary to begin to relieve our great
shame that our right to safe shelter is subject to
the free market. Thank you.

1
2 CHAIRPERSON SANCHEZ: Thank you. You, you get a
3 prize.

4 NOAH LOESBURG: Yes, right? I could have zeroed it
5 out, but I did practice.

6 CHAIRPERSON SANCHEZ: You get an extra prize. No,
7 uh, thank you, thank you all for, for your testimony.
8 A couple of questions. So starting, um, with you,
9 Sal, at Neighborhood Restore, um, super excited to,
10 to read and hear you say you're supportive of, of the
11 testimony, er, of the bill. I know that we still have
12 to finalize, uh, a couple of areas, but I'm wondering
13 if, as we continue discussions, if you can help us
14 with, uh, some of the background on Neighborhood
15 Restore, particularly in the discussion around
16 reversals. And in the past, uh, Neighborhood Restore
17 has been here from the beginning, uh, round 1. Can
18 you— can you talk about, um, how any reversals that
19 happened in the past, how those worked?

20 SAL D'AVOLA: Now? Ah, it's very few and far
21 between. I don't think that there's been that many
22 reversals that have occurred, um, over the course of
23 all 10 rounds of, of foreclosure. Um, I think in the
24 instances where it's happened, um, some of them were
25 court-ordered. Um, specifically in round 10, there

1
2 were— there was a particular judge who ruled against
3 a certain number of properties, and they had to be
4 remanded back.

5 Um, although subsequently, through an appeal to
6 the Court of Appeals, they were reversed again and
7 came back to us, uh, 2 years later. I, I think, um, I
8 would argue that some of it probably stems from
9 litigation, um, initially, or questions after the
10 foreclosure where there may have been questions
11 about, um, the taking itself, whether, whether the
12 taxes were correct, whether notification happened.

13 I think those have been some of the instances,
14 but I, I would say it's been a handful.

15 CHAIRPERSON SANCHEZ: Got it and, and for those
16 handful of properties, was title currently with
17 Neighborhood Restore, or was title at the time of, of
18 clawing it back or whatever, was it with the third
19 party?

20 SAL D'AVOLA: In those instances, no, they were
21 all with Neighborhood Restore.

22 CHAIRPERSON SANCHEZ: Um, got it and so, uh, HPD
23 testified to Neighborhood Restore coming to an
24 agreement with HPD at the beginning of a round. Um,
25 can you— can you help us understand, but just in

1 terms of the budget, what, uh, what does that
2 contract look like for HPD? How much, uh, funding and
3 support are you receiving to stabilize these
4 properties, you know, ongoing operations and
5 maintenance and everything else that you're
6 responsible for?

7 SAL D'AVOLA: Sure. So e- each round of
8 foreclosure, we would execute what's called a seed
9 loan with the City of New York, which would lay out,
10 um, the document would lay out sort of the terms and
11 conditions between our responsibility with the city.
12 It would lay out an estimate of what we all
13 anticipated the cost would be to operate, um, the
14 properties coming through that particular round of
15 foreclosure.

16 It would- it would sort of occur, um, after the
17 foreclosure actually happened, but the discussions
18 would be happening prior to that.

19 In addition, we would execute regulatory
20 agreements with the city that would obviously control
21 our subsequent sale of those properties, um, so, and,
and to maintain them as affordable, um, and all the
things sort of HPD testified earlier.

1 Um, what was your other question? Oh, funding.

2 Um, so funding— HPD has always funded our operations.

3 Um, there really is no anticipation, um, for us to
4 self-fund anything that comes through the program.

5 Um, what, what the city— the city gives us currently
6 in the last— probably for the last decade or so, we
7 get a direct, um, amount of money, \$400,000 a year,
8 um, directly from HPD on an annual basis.

9 Um, and then there are fees that we are allowed
10 to collect when a property gets transferred to the
11 third party that's gonna be the subsequent owner of
12 that property. We collect a fee. Those fees come back
13 to us, not just to cover our administrative expenses,
14 but to cover the programmatic expenses. Um, so we
15 have been able to build a certain number of reserves
16 over the years that have allowed us to operate, um,
17 those buildings.

18 Um, once the buildings are in our ownership,
19 obviously there's— there's rent collection, um, that
20 occurs, although I, I will say that rent collection
21 in our buildings isn't as great as it should be. Um,
but there's income that gets collected. That income,
um, then gets covered— covers some of the expenses in
the building. But all of our buildings, quite

1
2 frankly, operate in a deficit, and so we fund those
3 deficits.

4 CHAIRPERSON SANCHEZ: What was the, the name of
5 the first document that you said?

6 SAL D'AVOLA: Uh, Seed loan agreement. Seed loan
7 agreement and initially, when we start seed- like
8 seed funds, seed, like seed money.

9 CHAIRPERSON SANCHEZ: Okay, okay, got it.

10 SAL D'AVOLA: And it's not that the city gives us
11 those funds. It is an estimate of the amount of
12 funding that we think would be required for that
13 particular round. It's not that the city cuts us a
14 check for that amount of money.

15 CHAIRPERSON SANCHEZ: And what, what are these,
16 um, what is that based on? Because, uh, Neighborhood
17 Restore is not taking on the capital projects that
18 the buildings need, right?

19 SAL D'AVOLA: Based on what we think our
20 operations of those buildings would be based on. At
21 this point, it's, it's based on a lot of historical
information that we have in terms of what we think it
would cost to do, um, to address certain conditions
in the buildings.

1
2 CHAIRPERSON SANCHEZ: So if a building needs a
3 mobile boiler, Neighborhood Restore is on the hook?

4 SAL D'AVOLA: Yes. Got it. Thank you. That, that's
5 really helpful to understand. Um, for, for UHAB, uh,
6 you know, continuing the conversation on you- I, on
7 on HDFC co-ops in particular. Can you help us
8 understand, or any suggestions, recommendations that
9 you have on additional considerations that we should
10 make, like off-ramps, uh, supports for HDFC co-ops?

11 ARIELLE HERSH: Yeah, I think that there are a
12 bundle of issues here. Um, the first and foremost
13 issue, I think, is for buildings that do end up, um,
14 selected for a TPT round. Many of them may have the
15 opportunity to, uh, actually address some of those
16 issues with an off-ramp program, um, as specified.
17 But HDFC co-ops, because of their board and tenant
18 governance structure, um, tend to operate a little
19 bit differently than we see private rental owners
20 operating as.

21 Mostly that the sort of financial and physical
issues that we see represented in code enforcement,
in arrears, etc., often have root causes in
governance issues. Um, boards not being able to get
along for whatever reason, financial, um, lack of

1
2 transparency or mismanagement, um, you know, not, um,
3 solid steward and transition between generations of
4 leadership.

5 All of these things can cause gaps, um, that can
6 start with small progra- problems and sort of balloon
7 over time. In order to adjust those and get those
8 actually back on track, buildings need to have a new
9 election, elect a new board, um, get those folks
10 trained up and ready, and start to take small steps
11 to establish transparency and good record keeping
12 that will allow them to apply for something like an
13 HPD loan and forgiveness and a tax abatement.

14 Um, buildings can't get things like, um, you
15 know, 3 years of financial statements that they'll
16 need to apply for an HPD loan until they have good
17 governance operations internally. So we really see
18 those as, you know, sequential steps, uh, necessary
19 to get these buildings back on track. That's a little
20 bit unique.

21 CHAIRPERSON SANCHEZ: Thank you. That's, that's
helpful. So you think that we should be considering
in statute, uh, some of those specific, um, sort of
processes, like if there is a new election and if

1
2 there is a change in leadership, those kind of
3 processes could get folks out of the round?

4 ARIELLE HERSH: Yeah. I think what's in the
5 proposed legislation already, and I really appreciate
6 Chair Sanchez for you taking this into consideration
7 and feedback, um, on prior rounds of the bill, um,
8 that a workout plan, um, sort of, ah, hashed out with
9 an HPD-approved monitoring agent, um, that specifies
10 a pathway to addressing governance challenges as well
11 as physical and financial distress, um, serve in lieu
12 of getting on a payment plan.

13 Um, I believe that currently it's sort of both,
14 ah, but we realize often that buildings don't have
15 the ability to get onto a payment plan and start
16 making, um, those payments at the, the really
17 exorbitant rates that are required, um, in the first
18 probably year after really making concerted efforts
19 to get back on track.

20 So having an approved plan worked out with a
21 monitor where that monitor is responsible for
ensuring that the board is getting back on track and
meeting those milestones and engaging with HPD, I
believe, is a sufficient replacement, um, and should
be considered in lieu of that payment plan.

1
2 CHAIRPERSON SANCHEZ: Got it. Thank you. Um, and I
3 actually, uh, kind of off topic but not really, um,
4 if there's anything that you anyone wanted to say or
5 suggest in terms of the upcoming expiration of the
6 Damp Exemptions, um, that would be welcome, and just,
7 uh, that nexus between the, a new program, the Safer
8 Commu- Safer Homes Act, versus the expiration of this
9 subsidy, um, what that means and how we should be
10 thinking about it.

11 ARIELLE HERSH: Yeah, absolutely. We have a
12 massive financial cliff that HD- the vast majority,
13 80% of HDFC co-ops, so 1,000 out of, um, 1,200 HDFC
14 co-ops across the city are facing in 2029 when their
15 main source of partial tax abatement expires, um,
16 without a legislative fix, which I believe is likely
17 to happen at the, the state level.

18 Um, unless that happens and the program is fixed
19 and buildings get a new tax abatement, um, they will
20 immediately need to pay, uh, market rate property
21 taxes, which we these buildings cannot sustain.
That's why it was put into place originally. It's
still true that they need it, and it's even more true
with rising operating costs and financial challenges
that owners are facing across the board.

1
2 Um, I'll also say that in order to adequately
3 replace that tax abatement, um, ongoing work needs to
4 happen with the agency and the administration around
5 what an appropriate rate regulatory structure or
6 general sort of oversight looks like, um, to ensure
7 that that tax abatement maintains stable financial,
8 um, operations in a building.

9 We know that there are real worries from the
10 community, um, in signing some of these new
11 regulatory agreements, um, with restrictions that I
12 personally believe have some, you know, onerous and
13 above and beyond sort of requirements, uh, that, that
14 drain, um, a building's finances. Um, and so there's
15 a larger conversation that really needs to happen,
16 and because of this cliff coming up in 2029, it's
17 really urgent that this happens alongside TPT.

18 We know that the TPT buildings that are— or the
19 HDFC buildings that are headed towards TPT are the
20 buildings that don't have regulatory agreements. Um,
21 it also means that they're not eligible for things
like DEP water, um, assistance and forgiveness
programs, other things that are operated by, um, DOF,
uh, all are not available to buildings that don't

1
2 have current regulatory restrictions with the city,
3 which is true for the vast majority of HDFC co-ops.

4 So these issues, um, for this community are, are
5 really intertwined.

6 CHAIRPERSON SANCHEZ: Thank you. Thank you so
7 much, Arielle. Um, and then my, my last question—
8 well, congrats on going through the, the rigmarole of
9 a process. Um, but for, for NYCCLI and, and for you,
10 Um, for NYCCLI, wondering your reaction to HPD's
11 position that they do not wanna take over vacant
12 parcels, or they don't want vacant land to go
13 through, um, safer— the safer— sorry, the food not
14 happening in the body is taking effect. Uh, but they
15 don't want vacant parcels, so what's your position on
16 that? Um, and then lastly, uh, for you would be the
17 lessons learned, anything that, that that you want,
18 um, us to take into consideration about how you were
19 successful at your HTFC?

20 WILL SPISAK: Okay, okay. Um, great. Thank you for
21 the, the question. Um, yeah, um, so NYCCLI supports
the, um, inclusion of, uh, vacant lots and sees it as
really essential for addressing this, uh, common
practice of predatory speculation in gentrifying
neighborhoods of, uh, vacant land and, um, the

1 failure of speculators to upkeep those properties,
2 which often become, you know, burdens on the
3 surrounding neighborhood.

4 Unfortunately, what we see is that many of these
5 properties, those that are, you know, ah, large
6 enough for development, are getting passed from one
7 anonymous landowner to another without any recourse,
8 uh, from the city. And those liens often get sold,
9 um, on, on the lien sale, um, and therefore the city
10 forfeits its, um, authority to leverage, um, that
debt to, um, uh, to put into better use.

11 Um, so we, you know, strongly disagree with HPD.
12 Um, it even sounds like based on their own numbers,
13 they admitted that it was a success in the past, that
14 they've been able to develop— was it 65, uh, units on
15 8 lots, which, uh, is pretty good. It definitely
16 addresses some of the missing middle development
17 that, um, you know, a lot of folks are calling for.
18 And to make sure that that's done in a, um, way that,
uh, maintains permanent affordability and community
ownership and stewardship would be amazing.

19 And then you also brought up the, the fact, uh,
20 Council Member, that there's, um, a land bank in
21 development, um, and we imagine that for uses outside

1
2 outside of housing, um, that it's important that we
3 consider, um, you know, the ability of the city to
4 use in rem foreclosure to, um, reclaim those
5 properties for commercial, community, or green space
6 development, um, uh, as well.

7 So, uh, whether it's for housing or for other
8 purposes, we think that, um, including, um, vacant
9 lots in the plan is, is essential and when it comes
10 to TPT, it could be, uh, or Safer Homes rather, it
11 would be, um, essential for, uh, ensuring that we can
12 develop the kind of affordable housing New Yorkers
13 need.

14 CHAIRPERSON SANCHEZ: Thank you so much. And
15 lessons?

16 NOAH LOESBURG: I, you know, I'm not sure I'm
17 cognizant enough of the contents of the bill to offer
18 anecdotes that support, uh, this conversation
19 specifically. So if you've got a better question, a
20 more specifically leading question, otherwise I can
21 go on. But, uh,-

22 CHAIRPERSON SANCHEZ: Um, I mean, my concern is
23 sort of stemming from what I heard Council Member
24 Epstein, uh, talk about early in the process, right?

1
2 Um, you know, hurdles that HPD puts before tenants
3 who are petitioning to become a co-op.

4 Um, so I'm wondering if, if you faced any of
5 those sort of hurdles and how you overcame.

6 NOAH LOESBURG: Yeah, I mean, I'm inferring a lot
7 of this. I moved to the building, uh, just as it was
8 converting to co-op, so a lot of my my neighbors who
9 I've come to know well and have had- I've actually
10 sat down and interviewed in order to learn this
11 history, but it's only becoming more clear to me, ah,
12 how hard it was and there were a couple challenges to
13 them.

14 I'm not sure if it was HPD throwing hurdles up.
15 Uh, there was, ah, there were acrimonious
16 relationships in a couple of directions at a couple
17 of periods. Um, those acrimonious relationships
18 definitely damaged work going forward. People
19 withdrew from each other and didn't wanna
20 communicate.

21 Now perhaps, uh, if there's, uh, I don't know how
to make this more specific to your work, but if HPD
has, uh, er, I don't know, a stricter timeline to
solve that problem rather than, uh, ah, shutting up
and letting people go off on their own. I, I do know

1
2 that finally under threat of foreclosure, the tenants
3 that were organized finally signed and converted to
4 co-op after, you know, perhaps over a decade of work,
5 uh, although the earlier part of that work there
6 were, there were other unrelated problems. Uh, also,
7 uh, the pandemic stopped everything for a couple
8 years, or well, stopped and then slowed everything
9 for a couple years. Um, however, right now in my work
10 with HPD, uh, you know, in- I'm developing a new loan
11 to sort of catch up on the problems left for us from
12 the first reconstruction round in the aughts, um, or
13 rather the teens. Uh, my work now, they seem
14 responsive and they are not slowing things down for
15 us. Uh, they seem- they do due diligence. I don't see
16 hurdles yet, but, you know, maybe, uh, the timing of
17 this, uh, meeting is poor for me to report to you.
18 Ask me in June when the loan is closed whether I
19 think it went well.

20 CHAIRPERSON SANCHEZ: Okay, uh, well, thank you,
21 thank you all so much to this panel. We're gonna take
22 a brief 5-minute recess and then continue with the
23 next panel. I'll just, uh, share the next 5 names so
24 that you are ready. So it's gonna be Edward Garcia
25 from Our Bronx, Angelette Woring- Waring, also from

1
2 Webster Avenue in our Bronx, uh, Larmela Garcia, Juan
3 Carlos Lara, and Todd Baker.

4 CHAIRPERSON SANCHEZ: Sit in this corner. All
5 right, welcome back. Thank you for your patience.
6 Whoever is ready can begin.

7 EDWARD GARCIA: Sure, I'm happy to, uh, I'm happy
8 to start. Um, and I have so much thoughts from
9 hearing each video so that I, I wanted to, to
10 hopefully make some additional remarks but thank you,
11 Council Member for the opportunity to speak. Uh, my
12 name is Edward. I'm with Our Bronx, formerly known as
13 Northwest Bronx, and Northwest- uh, Our Bronx, uh, is
14 a huge supporter, um, of the Safer Homes Act and as I
15 mentioned this morning, you know, across the Bronx,
16 uh, we work with many buildings where tenants are
17 going through, uh, very, very, uh, bad conditions.

18 Um, and we can- the list is very long. Uh, and,
19 you know, they're, ah, ah, as a result of negligent
20 owners, absent landlords who fail to make basic
21 responsibilities while tenants continue to suffer and
22 they collect rent.

23 Uh, in too many cases, you know, these buildings
24 fall into financial and physical distress, uh, and
25 repairs are deferred. Repairs are deferred,

1
2 violations accumulate, ownership becomes unstable or
3 uncertain, tenants file complaints, they document
4 conditions, they come to hearings, they organize, uh,
5 and often the city enforcement programs are just too
6 slow or too limited to produce long-term solutions.
7 Um, and what we consistently see is tenants being
8 forced to live in unsafe conditions while with
9 limited to no intervention in a coordinated or timely
10 way. Uh, and this bill is an opportunity to
11 strengthen the city's ability to be responsive and by
12 creating clear triggers for city intervention,
13 establishing an enforcement pathway, and ensuring
14 accountability when landlords fail to act, this
15 legislation addresses a critical gap in our housing
16 system.

14 Uh, it focuses on the most distressed buildings,
15 the worst of the worst, while providing structural,
16 uh, opportunities for owners to correct serious
17 failures and when they do not, it creates a pathway
18 to responsible ownership and long-term stabilization.
19 From our perspective as organizers, accountability
20 and preservation must go hand in hand. Buildings in
21 sever- in severe distress cannot just simply be left

1
2 in the limbo, nor should they cycle from one
3 negligent owner to the other. Can I continue?

4 The Safe for Homes Act provides the city
5 accountability, uh, with a clear enforceable tool to
6 step in when landlords refuse to meet their
7 obligations. I just wanted to just make, uh, a few
8 comments from our experiences. Uh, which is really
9 important to, uh, address the, the factors that would
10 ensure that this, this building serves the right
11 buildings. Uh, and this is the, the, the necessary
12 tool that the city needs to hold landlords
13 accountable. And what I think it's really important
14 also is to get clear and very, uh, sharp is how to
15 engage residents. And I think as, as Harvey
16 mentioned, uh, it's really important to ensure that
17 this is also serving for, uh, creating opportunities
18 for tenant ownership, ensuring that these notices are
19 in multiple languages, ensuring that the qualified
20 entity list is up to date.

21 We had that experience, you know, contact
information from people who worked at this— at those
institutions 10 years ago, 15 years ago, or numbers
that are actually not working. Um, and also ensuring
that there's capacity, right? If it wasn't for the

1
2 partnership, uh, from Northwest Bronx and, and and
3 also legal aid, there were many of the folks in that
4 list who weren't just ready or have the capacity or
5 had the interest to potentially partner, uh, in this
6 way with residents.

7 And so, so there's a lot of burden that is on
8 residents to ensure that this, b-but, you know,
9 building that has been selected already for TPT will
10 be, ah, in path for ownership, to be able to
11 successfully submit a bid, right? So there's just a
12 lot of burden that exists on residents to make this
13 possible. Uh, and I think that, you know, there
14 should be a more proactive approach to ensure that,
15 one, tenants understand this opportunity and that
16 they shouldn't have to, you know, explore, you know,
17 this very difficult, uh, rounds of communication to,
18 to try to find the right partner.

19 Uh, and so hopefully there's a, a more level
20 playing field for residents to be able to
21 successfully succeed in submitting a petition. Thank
22 you.

23 CHAIRPERSON SANCHEZ: Thank you, thank you, that's
24 very helpful.

1 LARMELA GARCIA: Um, my name is Larmela Garcia.
2
3 Vivo en el 2201/2205 Davidson Avenue. Buenas tardes.
4 Er, vivo en el apartamento 5H. 2205, 2201, 2205
5 Davidson Avenue, y soy miembro de, de la asociación
6 de inquilinos de este edificio y de que, del Bronx.
7 Gracias por darme la oportunidad de hablar hoy sobre
8 Sobre condiciones de nuestro hogar y la necesidad de
9 cumplir la ley- La Ley Sefer Mons.

10 He vivido en el edificio durante varios años y he
11 visto cómo las condiciones tan afectado a todas las,
12 a todos los inquilinos. Durante mucho tiempo
13 enfrentamos problemas graves como techos y paredes
14 con filtraciones, goteras de, goteras que dañaban
15 nuestros apartamentos, mucho, mucho moho negro. Que
16 afectaba nuestra salud, e infestaciones de ratas y
17 cucarachas, ascensor fuera de servicio, falta de agua
18 caliente y calefacción durante el invierno, y
19 presencia de plomo en, en algunos apartamentos.

20 Estas condiciones hicieron que vivir aquí fuera
21 inseguro y perjudicial para nuestra salud,
especialmente para los niños, personas mayores y
personas con enfermedades respiratorias. Los protect-
los pro- los propietarios anteriores del edificio han
acumulado más de 22 millones en impuestos y cargos

1
2 impagos, incluyendo reparaciones que la ciudad tuvo
3 que cubrir para proteger a los inquilinos. Durante
4 años ellos solo hacían reparaciones temporales cuando
5 eran obligados por la ley, por, por órdenes
6 judiciales, o por la la presencia de funcionan-
7 funcionarios, funcionarios electos. Así muestra un
8 patrón de negligencia sistemática que, que puso en
9 riesgo a toda la comunidad de los inquilinos.

10 Nosotros los inquilinos hemos trabajado juntos y,
11 ah, y ha usado todas las herramientas disponibles
12 para hacer, para elegir mejoras, para elegir mejoras.
13 Hemos presentado quejas al IPD y al 311, paciente,
14 apacientado en procesos legales como la asociación 7A
15 y buscando la intervención de funcionarios,
16 funcionarios locales y organizaciones de apoyo.

17 A pesar de nuestro efectos, las soluciones
18 temporales del propietario solo resolvían algunos
19 problemas por, por un corto tiempo. Esta experiencia
20 nos enseña que si sin supervisión y propiedad,
21 propiedad, responsabilidad responsable.

Los problemas- Carmen, ¿podría concluir? Carmen,
¿podría concluir?

CHAIRPERSON SANCHEZ: Ah, just- sorry, just
announcing for the record, but because her testimony

1
2 is in Spanish, there will be extra time for the
3 interpreter to provide her remarks.

4 LARMELA GARCIA: Gracias al apoyo de la concejal
5 Pírian Sánchez y al trabajo, al trabajo de All
6 Bronze, ahora nuestros edificios están en un cambio
7 hacia la propiedad responsable y social, socialmente,
8 comprometido.

9 Enseguida, este es, este proceso busca garantizar
10 que el edificio sea administrado por una cantidad que
11 pro, pro, prioriza la seguridad, la salud y la
12 exequibilidad de los inquilinos. Evitando que los
13 problemas del pasado se reparen. Esto, el, el, eh,
14 esto representa una oportunidad transmitiendo para
15 nuestros, como, para nuestras comunidades de tener un
16 hogar seguro y estable de su pro- de su participación
17 de decisiones importantes sobre nuestros edificios.
18 Bajo la ley, se, se, los inquilinos tenemos Durante,
19 durante los inquilinos tenemos derecho a vivir en
20 condiciones seguras y saludables.

21 Perdimos que la ciudad, pedimos que la ciudad en,
en nuestra, la ciudad continúe súper Suspensión,
suspensión, supervisando de cerca la transmisión.
Disculpe, porque ya han pasado como 5 minutos y
todavía estamos en el español, pero ustedes van a

1
2 someter lo que han escrito, así que todo lo que usted
3 preparó, bien preparada vino, lo vamos a recibir, ok.

4 CHAIRPERSON SANCHEZ: Pero necesitamos que, ah, el
5 tema siempre te dé un breve resumen de lo que usted
6 ha dicho, eh, para seguir, ¿ok? ¿Está bien? Ok,
7 Gracias, Carmen.

8 INTERPRETER: Good afternoon, my name is Larmela
9 Garcia. I live in apartment 5H from 2201-2205
10 Davidson Avenue, and I'm a member of the Association
11 for Tenants of this building and the Bronx, um, Our
12 Bronx. Thank you for giving me the opportunity to
13 speak today about the conditions, um, at our home and
14 the necessity of making a reality the act called
15 Safer Homes.

16 I've lived in this building throughout several
17 years, and I've seen how the conditions have affected
18 all the tenants. Throughout a long time, we've been
19 affronting dire issues. For example, roofs and walls
20 with, um, leaking, um, droppings, um, from the roof,
21 and they were harming our apartments.

Um, we've seen black mold that was affecting our
health, rats and roaches infestations, um, the
elevator was out of service, um, lack of hot water

1
2 and heating throughout the winter, and the presence
3 of lead in some of the apartments.

4 These conditions have made to live here insecure
5 or unsafe, and it's nocive against our health,
6 especially for children, for elder people, and for
7 people with respiratory ailments. The past owners of
8 the building, they were, um, accumulating more than
9 \$22 million in taxes, um, and arrears, unpaid taxes,
10 or tax liens, including repairments that the city had
11 to cover for us to protect the tenants.

12 Throughout the years, they were just doing
13 temporary, um, repairs when they were obligated by
14 the law, um, throughout judicial mandates, um, or
15 because of pressure, um, throughout elected
16 officials. This shows a pattern, a negligence
17 pattern, um, which is systematic. It's systemic, um,
18 and this jeopardizes all of the community, all of the
19 tenants' community.

20 We, the tenants, we've been working hard
21 together, and we've been using the tools that are
available to demand improvements. We've presented
complaints to— or submit complaints to the HPD and
311. We've participated in legal procedures like
Action 7A and sought for the intervention of elected,

1
2 um, of local officials and organizations, um, to
3 support us or support organizations.

4 Despite our efforts, the temporary solutions, um,
5 of the owner have, um, only resolved some of the
6 issues for a short time. This experience has taught
7 us that without supervision and proper
8 responsibility, um, the issues were just persistent.

9 Thank you for the support of the Councilwoman
10 Pierina Sanchez and for the job of our Bronx. Now our
11 building is in the path towards responsible
12 ownership.

13 CHAIRPERSON SANCHEZ: Thank you. I, I, um, I'm
14 sorry, I, I do have to, to cut in. Um, are you— is
15 Northwest Bronx able to submit a translated version
16 of testimony? Okay, I— we do have to move on, uh, so
17 thank you. It's just she went a little long, and so
18 of course the translation is long.

19 INTERPRETER: Thank you Councilwoman, I appreciate
20 it, Chair.

21 CHAIRPERSON SANCHEZ: Thank you.

INTERPRETER: Thank you.

CHAIRPERSON SANCHEZ: Um, okay, so we're gonna go
to the next testimony. Gracias de nuevo. Le tengo

1 una, un comentario, pero vamos a dejar que todos
2 hablen primero. Thank you so much.

3 TODD BAKER: Good afternoon. My name is Todd
4 Baker, and I'm a project manager at Our Bronx, and
5 I'd like to speak just a little bit more about our
6 experiences working with the residents of 2201-2205
7 Davidson Avenue, um, a building who, as you've heard,
8 whose history reflects exactly why this legislation
9 is so urgent and so impactful.

10 Um, Our Bronx worked to organize these residents
11 against the deteriorating living conditions for over
12 a decade, conditions you've now heard about
13 repeatedly, and tenants leveraged every enforcement
14 tool the city offers and then some. They called 311,
15 they held press conferences, they got emergency
16 repairs, they entered the alternative enforcement
17 program, and still the property owner refused to
18 meaningfully improve conditions.

19 Meanwhile, the landlord racked up a property tax
20 bill of nearly \$30 million, and taxpayers paid for
21 over \$1 million in emergency repairs. It was only
after the property moved through the third-party
transfer program, thanks to tireless organizing by
the residents and also the consistent partnership of

1
2 the Legal Aid Society and Council Member Sanchez's
3 office, that in April of last year, we were able to
4 successfully transfer ownership away from a landlord
5 who had long since abandoned the property.

6 Now that property is in the process of
7 stabilization, and we are in pre-development for a
8 full renovation. This is truly a collaborative effort
9 between Our Bronx, our development partners at Lemley
10 Wolff, Neighborhood Restore, HPD, and of course the
11 residents themselves.

12 Tenants have leases for the first time in years.
13 The building is being properly cleaned and
14 maintained, and tenant concerns are actually being
15 heard and addressed. With the involvement of the
16 Bronx Community Land Trust, we guarantee that a board
17 of residents, community leaders and housing
18 professionals will be in place to steward this
19 property as dignified affordable housing for
20 generations.

21 We are excited about the changes taking place on
David Avenue— Davidson Avenue, but tenants should not
need to wait over a decade for real improvements to
their living conditions. The Safer Homes Act outlines
clear and fair criteria for intervening in situations

1
2 where property owners have repeatedly and
3 consistently failed to address dangerous and
4 unhealthy conditions, and it even creates
5 opportunities to put ownership in the hands of
6 residents who have often been the ones maintaining
7 these properties. Thank you.

8 CHAIRPERSON SANCHEZ: Thank you, Todd. Thank you.

9 ANGELETTE WORING: Good afternoon. My name— good
10 afternoon.

11 CHAIRPERSON SANCHEZ: Is your microphone on?

12 ANGELETTE WORING: The Committee? Mhm. My name is
13 Angelette Woring. I've lived in apartment 1E at 2051
14 on Webster Avenue in the Bronx since the age of 5,
15 for the last 57 years. I am also a member of our
16 tenant association organizing alongside my neighbors
17 and the Northwest Bronx Community and Clergy
18 Coalition.

19 My mother raised 5 children in that apartment
20 with love, strength, and security until she passed in
21 October of 2017. I brought her home to transition.
This building has been my home for nearly my entire
life. I'm here today because 2051 Webster Avenue
reflects what happens when a building is allowed to

1 fall into deep distress without early and coordinated
2 intervention.

3 For months, including through the coldest days of
4 the winter, including today, residents have lived
5 without cooking gas, without reliable heat and hot
6 water, with serious building-wide safety failures,
7 even while the building has been under court-ordered
8 receivership.

9 In February of 2025, Con Edison notified us
10 tenants that the gas services would be turned off due
11 to the landlord's failure to pay. We tenants
12 collectively pooled over \$4,000 of our own money to
13 prevent service interruption. Yet one year later,
14 we're still dealing with instability in essential
15 services.

16 Over the holiday season, residents had no gas to
17 cook with. We still don't. At times, we also had no
18 heat and hot water. Families resorted to space
19 heaters and electrical appliances to strength- that
20 strains the building's system and increases the fire
21 risk. We were informed that the fire department shut
down our boiler due to cracks. Management installed
generators to restore heat and hot water, but the
results have been unpredictable.

1 Some mornings my apartment is 90 degrees
2 according to my thermostat. Other mornings, like
3 today, it was cold. The shower was cold.

4 On top of that, our building currently has 517
5 open violations, including 137 immediately hazardous
6 Class C violations. These are not minor issues. These
7 are conditions that pose serious risks. There are
8 cracks running along the ceilings, walls, and floors,
9 and in my apartment, cracks extend to the length of
10 the hallways and rooms. Walls are bubbled and
11 deformed. Ceilings appear unstable. Two of the
12 ceilings in my apartment fell.

13 February 25th at 2:30 in the morning, the ceiling
14 fell. FDNY came. Floors are uneven. There's holes
15 formed beneath the radiators. Walk into other
16 apartments or common areas and you'll see the same
17 pattern. Tenants feel the building shake. It feels
18 unstable due to the construction right next door. The
19 building is 98 years old and surrounded by
20 construction.

21 After so many building fires and collapses in the
22 Bronx. We cannot ignore what we are seeing.

1
2 CHAIRPERSON SANCHEZ: Miss Angelette, just saying
3 that I— because I'm supposed to procedurally say that
4 you may continue, you may, you may conclude.

5 Even after receivership, residents have not been
6 a comprehensive and enforceable re— rehabilitation
7 plan that addresses the full scope of the distress.
8 The Safer Homes Act is a— is critical because it
9 strengthens distressed building identification and
10 rehabilitation planning before conditions escalate to
11 this level. Luckily, I was not under the ceiling when
12 it fell. It creates a framework for early
13 intervention and structured oversight and
14 accountability when buildings show clear signs of
15 deterioration. Distress does not happen overnight. It
16 builds over time.

17 Without stronger tools, families like mine are
18 left living in uncertainty and in risk. Tenants
19 deserve more than temporary fixes. Our intercoms
20 don't work. We deserve stability, safety and a real
21 path toward long-term preservation. The Safer Homes
Act moves us toward that goal, and I urge the Council
to advance this legislation, and I thank you for your
time and consideration in hearing our concerns.

1
2 CHAIRPERSON SANCHEZ: Thank you for sharing your
3 story, Ms. Woring. It's exactly why we're doing this.
4 Thank you.

5 JUAN CARLOS LARA: Buenas tardes, Presidenta y
6 miembros del comité. Mi nombre es Juan Carlos Lara,
7 vivo en el apartamento 2B en el 2051 Webster Avenue
8 en el Bronx y soy miembro de la asociación de
9 inquilinos. Los residentes de nuestro edificio nos
10 hemos organizado con el apoyo de Northwest Bronx
11 Community y Clergy Coalition para documentar las
12 condiciones condiciones y exigir estabilidad y
13 seguridad.

14 Estoy aquí hoy para apoyar el SAFER Homes Act
15 porque nuestro edificio es un ejemplo claro de cómo
16 el deterioro se acumula cuando no existe una
17 intervención estructurada y oportuna. Nuestro
18 edificio fue prácticamente abandonado por los
19 propietarios— por el propietario anterior durante
20 años. Vimos cómo las condiciones empeoran lentamente,
21 las reparaciones no se hacían, los sistemas fallaban
y la comunicación era casi inexistente. Hemos vivido
sin gas para cocinar por periodos prolongados.
Durante los meses más fríos del invierno, la
calefacción y el agua caliente fueron inconstantes.

1 Muchas familias tuvieron que usar calentadores,
2 eléctricos y otros aparatos que aumentaban el riesgo
3 de incendio y elevaban los costos de la electricidad.
4 El intercom del, del edificio no funciona, no ha
5 funcionado durante meses, lo que dificulta la entrada
6 segura de servicios médicos, entregas y ayuda de
7 emergencia. Muchas alarmas de humo no funcionan
8 correctamente. Hace poco hubo un incendio en el
9 restaurante del edificio edificio y fueron los
10 vecinos quienes tuvieron que alertarse unos a otros
11 porque no podíamos confiar en los sistemas del
12 edificio. Además, existen grietas visibles en los
13 techos, paredes y pisos de muchos apartamentos y
14 áreas comunes.

15 Los pasillos están sucios y hay infestaciones de
16 plagas. Estas no son quejas individuales, son
17 condiciones que afectan a todo el edificio.
18 Actualmente el edificio tiene 517 violaciones
19 abiertas registradas por HPD, incluyendo 137 Clases
20 C, que son inmediatamente peligrosas. Ese número
21 refleja el nivel de deterioro severo. Aunque ahora
 hay un receptor designado por la corte, los
 residentes no hemos visto un plan integral y claro de

1
2 rehabilitación que atienda la magnitud de la, del
3 problema.

4 La administración temporal no es lo mismo que un
5 proceso estructurado de estabilización con plazos y
6 supervisión real. El SAFER HOME ACT es importante
7 porque fortalece la identificación temprana de
8 edificios en estado de deterioro y exige un plan de
9 rehabilitación estructurado antes de que, antes que
10 las, que las condiciones se conviertan en una crisis.
11 El deterioro de un edificio no solo es un problema de
12 mantenimiento, es un problema de seguridad pública y
13 estabilidad para las familias que viven allí. Los
14 inquilinos no deberían tener que vivir durante años
15 en condiciones inseguras mientras esperan que el
16 sistema responda.

17 Esta ley ofrece herramientas para intervenir
18 antes- Señor, señor, ¿puede concluir? Sí, sí, ya
19 termino. Esta ley ofrece herramientas para intervenir
20 antes y exigir responsabilidad y establecer al
21 edificio y estabilizar edificios en riesgo. Por eso
yo apoyo el Safer Homes Act y les pido, por favor,
que lo aprueben. Muchas gracias por su tiempo.
Gracias.

1
2 INTERPRETER: Okay. Thank you. Good afternoon,
3 Chair and members of the Committee. My name is Juan
4 Carlos Lara. I live at the apartment to be— in 2051
5 Webster Avenue in the Bronx, and I'm a member of the
6 Tenants Association.

7 The residents in our building have come together
8 and organized with the support of our Bronx to
9 document the conditions and demand stability and
10 safety or security. I'm here today to support the
11 Safer Homes Act because our building is an example—
12 is a clear example of how deterioration accumulates
13 when it doesn't exist the possibility of a structured
14 and opportune intervention.

15 Our building was practically abandoned by the
16 owner, by the past owner. Throughout the years, we've
17 seen how the conditions were slowly worsening. The
18 repairs were not being done, um, the systems were
19 failing, and communication was almost nonexistent.
20 We've been living without gas for cooking for
21 extended periods throughout the coldest months of the
winter. Throughout the coldest months of the winter,
um, heating and water— um, hot water were
inconsistent. A lot of families had to use electric
heaters and other— and other apparatuses, um, that

1
2 were incrementing the— that were increasing the risk
3 of fire and elevating the cost of electricity.

4 The building intercom has not functioned, um, for
5 several months, which difficult the entry, um, the
6 secure entry of medical services, deliveries, and
7 emergency help. A lot of fire alarms are not working
8 correctly. Um, not long ago, there was a fire in the
9 restaurant of the building, and the neighbors were
10 the ones that had to alert one another because we
11 could not trust in the building's systems.

12 Um, also, there are visible cracks on the roofs—
13 well, on the ceilings, there are visible cracks on
14 the ceilings, on the walls, and on the floor— on the
15 floors of a lot of apartments and communal areas or
16 common areas. Um, the hallways are dirty and there
17 are infestations, um, vermin infestations. Um, this
18 is— these are not individual complaints. They are
19 conditions that are affecting the whole building.

20 Actually, the building has 517 violations, um,
21 open and they're registered by the HPD, including 137
violations Class C that are immediately dangerous.
That number reflects, um, how severe the, the
deterioration level.

1
2 Even though now there's, ah, receptor, um, that's
3 designated by the court, the residents have come
4 together with an integral plan, um, and clear
5 rehabilitation plan that needs to address the
6 importance of the issue, um, the scale of the issue.
7 The temporary administration or the temporary
8 administration is not the same that a structured
9 process of stabilization with deadlines or
10 installments and real supervision.

11 The Safer Homes Act, it's important because it
12 strengthens the early identification of the deterior-
13 um, of the deterioration status of the buildings, and
14 it demands a structure rehabilitation plan before the
15 conditions turn into a crisis. The deterioration of a
16 building is not only an issue about maintenance. It's
17 an issue of public security or safety and stability
18 for the families that live there.

19 The tenants should not have to live throughout
20 several years in unsafe conditions while they await
21 that the system answers- um, that the system answers
to them. This law offers tools to intervene before,
to demand responsibility, and to stabilize the
buildings in at risk.

1
2 That's why I support the Safer Homes Act, and I
3 asked you to approve it. Thank you for your time.

4 CHAIRPERSON SANCHEZ: Thank you, thank you so
5 much, um, and thank you everyone for your patience.
6 Translating from Spanish takes a lot longer, uh,
7 we're, we're wordier in Spanish. Las palabras son más
8 en español que en inglés. Gracias por la paciencia.

9 Um, I, I just want to take a moment to, to our
10 Bronx, but also to, to the tenant leaders who are
11 here today to, to thank you for sharing your stories,
12 because this is, this is how having the rest of New
13 York see and hear what you're going through, that is
14 how we get change.

15 So I thank you for being here from- with us from
16 the morning, um, and sharing your story today,
17 because it does make a difference, and everything
18 that you said is read onto the record. Thank you to
19 our interpreter, um, and that's very important.

20 So muchísimas gracias, todo lo que dijeron está
21 en el archivo, eh, de, de esta audiencia y se quedará
ahí, y eso, eso marca la diferencia. Así que
muchísimas gracias. Thank you.

PANEL: Gracias a usted.

1
2 CHAIRPERSON SANCHEZ: Uh, the next panel is going
3 to consist of Jacob Schneider from East New York CLT,
4 Paula Segal from Abolish the Tax Lien Sale Coalition,
5 Theo Chino, and Michelle Lyons. Um, whoever is ready
6 can begin.

7 THEO CHINO: Well, I've been ready for the last 47
8 years. Hello, Council Member Sanchez. I would like to
9 ask you if I can go over a minute over the one- the
10 2-minute time. 1 minute and 37 seconds.

11 CHAIRPERSON SANCHEZ: Yes.

12 THEO CHINO: Thank you. My name is Theo Chino, and
13 I live at 640 Riverside Drive, a building that has
14 been in the TPT program since 2003. I am being
15 evicted and received a 90-day letter to vacate from
16 the premises 30 days ago by the sponsor, UHAB. I am
17 currently running for Congress in the Congressional
18 District 13.

19 I am running against Congressman Adriano
20 Espaillat because he has failed to call for a GAO
21 investigation into third-party transfer sponsors and
their use of Section 8 vouchers in Title 11 HDFC to
pay for the participation loan program.

My socialist grandfather is one of the
co-founders of the Congress of Racial Equality and

1
2 came up with the name CORE. I am part of the civil
3 rights legacy. My grandfather was Japanese and earned
4 a few Purple Stars, a Bronze Star, a Silver Star. He
5 is interred at Harlington Cemetery. I am also a Gold
6 Star legacy.

7
8 My mother moved from the Dominican Republic as a
9 child into 640 Riverside Drive. After the death of
10 her stepfather, another World War II veteran, her
11 family ended up in dire circumstances and survived
12 thanks to welfare programs such as what you refer
13 today as SNAP.

14
15 In college, I was told that upward mobility was
16 achieved through the acquisition of capital and that
17 real estate acquisition was a very important
18 component. When I returned to New York City in 2001,
19 I ended up on the board of my tenant association, and
20 we were supposed to go into the TIL program in 1997,
21 but that has— was changed to the TPT program.

We were told by our sponsor, UHAB, that were— who
was given our property for \$10 with the idea that he
would take care of our building, that we would not
resell it at market price, and that the rent would be
commensurate with the expense of repaying the loan.

Where did \$100 million go in 2025?

1
2 On July 15, 2021, the For Freedom Democratic
3 Club, to give more transparency, adopted a resolution
4 expanding Councilman Maloney's bill and Ben— mother—
5 uh, not Virginia Maloney, uh, the other Virginia.
6 Carolyn Maloney and Ben Callahan's expansion to
7 include greater transparency in the participation
8 loan program through the PASSPORT system.

9 Your bill does not include any tool for
10 shareholder— for stakeholder to act as verification
11 agent. We are told we must learn how to FOIL, and
12 when we filed FOIL requests, we were told the data
13 was proprietary.

14 So we could not see architect drawing, number,
15 bank account, anything. Only in lawsuits when they
16 appear later. Those who are still poor to receive
17 Section 8, and their, their rent remained the same
18 because the complex financial system of robbing Peter
19 to pay Paul is not overseen by any Committee at City
20 Council. Your bill does not include greater oversight
21 by the Department of Investigation when a sponsor
acquires a property.

CHAIRPERSON SANCHEZ: I have to ask you, I
understand you have concerns about the program. Can
you conclude your thoughts for us?

1
2 THEO CHINO: I have 1 page and a half, and I've
3 been waiting 40 years for this day. So I'm asking the
4 Council to give me the chance to take 2 minutes for
5 \$40 million—

6 CHAIRPERSON SANCHEZ: I have, I have to say it. I
7 have to say it.

8 THEO CHINO: Oh, okay, sorry.

9 CHAIRPERSON SANCHEZ: It's the first thing you're
10 doing, so I have to say it. You may continue.

11 THEO CHINO: Thank you. Those who are still poor
12 receive Section 8 today, and their rent remains the
13 same because of the complex financial system of
14 robbing Peter to pay Paul, which is not overseen by
15 any City Council Committee.

16 Your bill does not include greater oversight by
17 the Department of Investigation to who HPD is
18 supposed to oversee. As I said earlier, I am running
19 for Congress to expose all the HDFC corruption
20 organized by sponsors like mine, UHAB Settlement
21 Housing, or general contractor like MDG Design, who
the FBI has investigated for waste theft and whom HPD
has cleared to handle NYCHA Trust today or Wavecrest
Management, which managed to place U-Hab on the worst
landlord list.

1
2 When that happened, Public Advocate Letitia James
3 changed the algorithm so this property would no
4 longer appear on the worst landlord, and public
5 William— Public Advocate William has not done
6 anything to the algorithm except strengthen the
7 change so their appearance is guaranteed never to
8 appear.

9 Today I do not qualify for Section 8, so my rent,
10 instead of being raised to the agreed amount today
11 that we agreed in 2007, my rent is going from \$1,000—
12 The agreed amount of \$1,400 is now \$2,060. That money
13 is being taken from my retirement, from the
14 retirement of my mother who held low-income job all
15 her life. I supplement her \$400 monthly Social
16 Security.

17 So now I have to make plan based on the one— not
18 based on the \$1,400, but \$2,060 a month. So the owner
19 can retire with the pen— the owner of the sponsor can
20 retire in a penthouse he converted into an HDFC in
21 Tribeca.

Your bill does not include anything about making
things right for tenants like me who are in the
process of climbing the social ladder.

1
2 A week ago, a family that was— like mine just
3 moved out of our building from being there since 1990
4 because they could not afford the new rent
5 established by the landlord and the sponsor and who
6 were making way too much money for Section 8.

7 Another tenant who was not a legal resident, but
8 who, who's not, who was what Donald Trump would
9 consider an illegal, could not qualify for the
10 Section 8 they were promised, but they had a lease
11 because they lived there since 1970. At the time, you
12 didn't need to show paper to get a lease.

13 So I'm not here to come to testify just to
14 testify. As you know, I've been active in uptown
15 politics, and this is a chance for you— for me to
16 give you to ask historical questions about every
17 failure in the TPT program, which I was part since
18 19— or my family was part since 1970.

19 If you don't have any questions, I say that not
20 directly to you, but to the whole Council of New York
21 City as a whole, it is a proof that this city does
not care about the upward mobility for poor people
into the lower middle class, and it is simply— and it
simply hopes that residents like us disappear quietly
from the social contract that is New York City. Thank

1
2 you very much for your time, and if you have any
3 questions-

4 CHAIRPERSON SANCHEZ: Thank you. Uh, I, I see- I
5 hear a common thread between your testimony and
6 actually that of Our Bronx, formerly Northwest Bronx,
7 which is about accountability for the so-called
8 qualified third party on the, the part of Northwest
9 Bronx. And for you, accountability in the, the
10 permanent owner. And I, I don't, I don't think there
11 is anything in statute. Maybe it lives in HPD rules,
12 I don't know. But I think that is certainly a
13 worthwhile place for, for us to look into. And if you
14 have specific recommendations on what kind of
15 oversight questions need to be asked and answered by
16 HPD over time in the long term, that is welcome, so
17 we can consider putting it in.

18 THEO CHINO: We have given in the record, in the
19 2019 record, you will find the testimony and the
20 recommendation from about 50 different buildings
21 throughout the City of New York who has come up with
22 recommendation and nothing was put in the- we didn't
23 see any of that in the bill, and of course the answer
24 is always, we are a new administration, so it was the
25 previous administration, we'll look into it, and

1 we'll get back to you, and by the time they get back
2 to us, a new administration is taking place.

3 For example, I mean, no disrespect to any
4 Councilman, but Councilman Epstein was the legal aid
5 lawyer that actually s- helped us with 640 River
6 Riverside Drive and who signed the name and the deed
7 for us, representing us.

8 So things change and the recommendation doesn't
9 get put in. And, uh, we need to figure out how to get
it done before you move out of office. If-

10 CHAIRPERSON SANCHEZ: Thank you. Thank you. I
11 mean, there are regulatory agreements. There should
12 be a hook, right? So I will- I will dig that up with
13 our team, um, and, and thank you for your testimony
14 in terms of, uh, today, but also 2019. Thank you.
Paula?

15 PAULA SEGAL: Thank you so much for this hearing.
16 Um, I am here today- my name is Paula Segal. I'm an
17 attorney at Take Root Justice, where I used to work
18 with Council Member Epstein before he moved on to
19 elected office, when we were the community
development project of the Urban Justice Center.

20 Today, I am here to deliver testimony on behalf
of the Abolish the Tax Lien Sale Coalition. I'm gonna

1
2 read the members of the coalition out loud and into
3 the record, and then I'm gonna respond to a couple of
4 things that we- that I heard today, um, both from,
5 uh, folks in the Administration and folks who
6 testified from afterwards, and there are written
7 comments from the coalition that, ah, have been
8 circulated.

9 So the members of the Abolish the Tax Lien Sale
10 Coalition who've been a coalition since 2020 working
11 towards a more equitable debt collection system for
12 the City of New York, which includes an equitable use
13 of the foreclosure mechanism. We're very happy to see
14 the Safer Homes Act being discussed today.

15 Those members are the Community Service Society
16 of New York, East New York Community Land Trust, New
17 Economy Project, Take Root Justice, the Western
18 Queens Community Land Trust, Brooklyn Level Up, Bronx
19 CLT, and Our Bronx, formerly Northwest Bronx
20 Community and Clergy Coalition, the Coalition for
21 Community Advancement, the New York City Community
Land Initiative, or NYCCLI, and Manny Management.

The- as you might notice, about half of those
groups represent either community land trusts or
organizations that are working closely with community

1
2 land trusts or seeding community land trusts for
3 stewardship in their communities.

4 Um, the mechanism of having a non-owner steward
5 as part of the ownership of property, that where the
6 city is making immense investments and where tenants
7 have made decades of sacrifices, is new for New York,
8 but it's not brand new. We've tried it for about 40
9 years.

10 In the places where we've tried it, it's been
11 working. May I continue? And a much-

12 CHAIRPERSON SANCHEZ: Yes.

13 PAULA SEGAL: Thank you. Um, a much stronger Safer
14 Homes Act would build on that 40 years or so of
15 stewardship expertise, and it would build in
16 accountability in the specific transactions.

17 So I'm going to talk a little bit about one of my
18 clients in East Harlem. The East Harlem, uh, El
19 Barrio Community Land Trust actually took over a
20 failed tenant interim lease project that was supposed
21 to go into cooperative ownership, or where tenants
were stuck for so long that finally they said, okay,
you know what, we heard this worked on the Lower East
Side, we'll try something else.

1
2 So now they're working with the East Harlem El
3 Barrio Community Land Trust. They've formed a rental
4 mutual housing association and we're working with a
5 developer who is neither of those parties, who's
6 building— bringing the buildings up to code. And my
7 clients, as the CLT, are there every step of the way
8 to fight the kind of rent restructuring that, uh, my
9 colleague here discussed a moment ago.

10 In fact, HPD proposed changing the rents from the
11 regulatory agreement very early on in construction
12 overruns during COVID and I guess if the CLT hadn't
13 been there, everybody would have said, yeah, that,
14 that math, maths, I guess the rents have to go up.
15 But instead, my clients were there representing the
16 community and representing the folks who had fought
17 for affordability, and we said, we're not gonna agree
18 to this right now. Let's see how far we can go
19 without restructuring the rents. We'll come back to
20 this question. We've spent some time putting together
21 some additional funding because we have some
political capital that none of the other parties
have. And so far our rents are still in the
regulatory agreement what they were in 2020 and that
took work from my client who is not the tenants.

1
2 Those are actual people who are gonna have to pay
3 those rents and they're not the developer, they're
4 the steward and they're the permanent steward with
5 community representation and with tenant
6 representation on the board.

7 I don't- we- HPD is in the deal and they have
8 some capacity to do oversight, but they're also
9 trying to make thousands of projects work at the same
10 time. They don't have the capacity that a community
11 committed community land trust does to really do
12 oversight. And I think one of the ways that this bill
13 can be made much stronger and address a lot of the
14 things we heard today is prioritizing disposition to
15 CLTs, but also to developers working with CLTs, to
16 community organizations working with CLTs, to tenants
17 associations working with CLTs. Really anybody,
18 nonprofits, for-profits, MWBs, it doesn't matter as
19 long as stewardship is built into the disposition,
20 those projects will go differently than some of the
21 really terrible stories we've heard today.

Um, so I wanna raise that up from our written
testimony. I also, uh, was, er, impressed and
appalled to hear the Department of Finance sit here

1 and say that Easy Exit worked so well as part of the
2 lien sale.

3 And I just want to say appalled is the word I'm
4 using, because easy- they approved less than 1,000
5 Easy Exit applications in the last lien sale. They
6 limited those approvals to a much narrower set of
7 applicants than those that the legislation this
8 Council wrote required.

9 This Council said that if somebody applied to
10 exit the lien sale who had an income less than
11 enhanced STAR, which is at about \$107,000 for the
12 household, and was living in the home, they should be
13 able to Easy Exit the lien sale, have 3 years to
14 figure things out.

15 Department of Finance said, oh, we're gonna use
16 that as the total for income limit of everybody who
17 has an ownership interest in the house. So if you
18 live in the house and you've got a brother and a
19 sister in Georgia, you've gotta go find them, get
20 their income information, and then if when we add up
21 the 3 of you, it's more than \$107,000, you don't
qualify for Easy Exit.

I was stunned to hear that they think this worked
well. I was also- I'm also stunned because, uh, as my

1
2 colleague Jakob here, I think maybe we'll talk about
3 a little bit more on Wednesday when we'll be back to
4 talk more about the lien sale and the budget.

5 CHAIRPERSON SANCHEZ: I, I, I frequently get
6 mesmerized by what you're saying.

7 PAULA SEGAL: Yeah, sorry, I'm sorry, sorry,
8 sorry. So one more, one more, um, we'll come back and
9 talk a little bit more about that. I apologize. And
10 just, um, vacant lots and unoccupied buildings, I'll-
11 I'll just - turning back to our written testimony, my
12 apologies. Um, vacant lots and unoccupied buildings
13 are- should be a priority for tracking the city
14 foreclosure, and we need to find a way to make sure
15 that HPD is not the gatekeeper. If HPD cannot handle
16 getting properties from delinquent private owners
17 into green infrastructure, into community use, and
18 into housing at the scale that's possible, then other
19 agencies need to step in.

20 CHAIRPERSON SANCHEZ: Thank you so-

21 PAULA SEGAL: Thank you so much for the
indulgence.

CHAIRPERSON SANCHEZ: Thank you. Thank you, Paula.

JAKUB SCHNEIDER: Uh, hi. Um, thank you, Chair
Sanchez, for the opportunity to testify, uh, and for

1
2 introducing the legislation. Uh, my name is Jakob
3 Kendall Schneider, and I am the senior program
4 manager for research and policy at the East New York
Community Land Trust.

5 Uh, the East New York Community Land Trust is a
6 member-led organization that works to prevent
7 displacement and real estate speculation in the
8 neighborhoods of East New York and Brownsville. We do
9 this through community organizing and providing
10 permanently affordable CLT housing on community-owned
and democratically governed land.

11 Passing the Safer Homes Act would be an important
12 step in addressing the worst of the worst properties
13 owned by negligent landlords and investors in the
14 neighborhoods where we live live and work. It is a
15 welcome policy tool that could support permanently
16 affordable housing and democratic community ownership
when community land trusts become stewards of these
properties.

17 East New York and Brownsville, uh, as defined by
18 the Brooklyn Community Boards 5 and 16, are
19 disproportionately burdened by financially and
20 physically distressed properties. Based on our
analysis of the Department of Finance's list of

1
2 properties eligible for the 2023 lien sale, we found
3 that these two communities had 13% of all properties
4 citywide that met the statutory definition of
5 distressed, and nearly a third of those meeting that
6 definition in Brooklyn.

7 These 62 properties, 20 of which are vacant, um,
8 owed nearly \$20 million in outstanding city charges
9 in February 2025. The 42 Class 1 and 2 buildings in
10 the two neighborhoods averaged nearly 24 hazardous or
11 immediately hazardous maintenance housing and code
12 violations.

13 Um, so just to illustrate this with an example
14 and of a property that the Safer Homes Act could, you
15 know, help address, um, so in East New York, there's
16 a slumlord that, um, has multiple prop- er, had
17 multiple properties, uh, that were eligible for the
18 lien sale, and 2 of them met the, ah, statutory
19 definition of distress. Both are 4-unit properties.
20 May I continue?

21 Uh, one property on Williams Avenue has an
average of 52.75 Class B and C violations per unit,
while a prop- while their other property on Bradford
averages 84.25 per unit. Tenants in the Bradford
building live with roof leaks that lead to large

1 patches of mold on their walls, rat and cockroach
2 infestations, lack of heat and hot water, and an
3 array of other violations. The owner also has a
4 record of tenant harassment. Yet without an
5 enforcement tool, the landlord continues to collect
6 rents from tenants while making them live in
7 abhorrent conditions.

8 This is b-but one case of many in East New York
9 and communities like it across the city. For the
10 reasons described above, East New York CLT strongly
11 supports the Safer Homes Act. It is imperative that
12 the bill be passed out of this Committee and come to
13 a full vote, Council vote as soon as possible. It is
14 long overdue and there is no time to spare.

15 While we fully support the bill, we also think it
16 can be improved. Specifically, CLTs partnering with
17 tenants should be given priority when HPD considers
18 applicants for disposing of properties covered under
19 the program. We are committed to ensuring residents
20 live in dignity, have control over their homes, and
21 that properties under our stewardship, our
stewardship, are permanently affordable and
democratically governed. After enduring years of

1
2 Now, this, this gentleman didn't wanna, um, fix
3 the problem. This landlord did not wanna fix the
4 problem either. Um, and he didn't stay long. He
5 stayed like about a year, uh, or so, and he left. Um,
6 then here come another one, um, with the same- this
7 one was asking for an increase in the rent, and I
8 was- because the problem was not corrected, and I was
9 not gonna sign no lease with, um, because I, I
10 started- when I moved in, I was paying \$899 a month
11 when I moved in, um, almost 30 years ago.

12 So when the new- the new- the third one came in,
13 he wanted me to pay, um, more, more money and how I
14 figured- how I found out that is because the, um,
15 EHRC of the the the registration when it comes to
16 increases, they sent me a letter saying that the
17 owner was, um, saying that I was paying a certain
18 amount of rent.

19 So I went down there and showed them my original
20 lease and addressed that I'm paying \$899 and this
21 went- this was like about, um, I think 2009, if I'm
not mistaken, when he, uh, took over the building and
wanted to increase the rent.

Um, then he- okay, after that, he, he, he, um,
sold the building because of that as well and then

1 here come another one, the same thing. They keep
2 selling the building because I was, you know, I'm not
3 agreeing agreeing to sign no lease for the- 'cause it
4 is a problem within the building. The new- the
5 original owner, he renovated the building, didn't do
6 the, um, correction with the- with the pipes, I
7 guess, 'cause it just kept constantly keep going on.

8 So, um, at this time, now I'm in a situation
9 where a landlord is on- well, in the building they
10 got this, uh, owner name and I'm like, who is this
11 owner? I don't even- I don't even know this owner.
12 Never addressed him. Don't know who he is. The only
13 one I knew was the previous one.

14 So I'm like, what is going on here? So it seemed
15 like something- I don't know, you know, I'm like, I,
16 I went to the Council. I went, I, I tried to get, um,
17 some type of support, but due to the COVID it was a
18 lot of, um, issues because I'm, I'm a former taxpayer
19 um, due to the COVID and everything, the situation I
20 had. Um, don't- I don't have any money, I don't have
21 no phone. I couldn't- they said that I have to have a
phone to call because they- because when I come in, I
can't do a walk-in or speak to anybody. You got to
make an appointment.

1
2 So this is what I've been going through for all
3 this time because this is, you know, it's been-

4 CHAIRPERSON SANCHEZ: Miss Lyons, um, so you're,
5 you're here for help with your individual situation?

6 MICHELLE LYONS: No, I'm here to address the, the,
7 uh, address the landlord that I'm going through now,
8 the landlords that I went through previously, about
9 the owners of the building.

10 CHAIRPERSON SANCHEZ: Okay, so you're not, you're
11 not speaking about the legislation that we're talking
12 about, you're speaking about this owner and what,
13 what is happening between-

14 MICHELLE LYONS: Oh, is it, isn't this the
15 legislation about the owners or no?

16 CHAIRPERSON SANCHEZ: Uh, I mean, maybe actually.

17 MICHELLE LYONS: That's what I'm saying, I'm kind
18 of -

19 CHAIRPERSON SANCHEZ: So, let us - let us um
20 collect your information separately so that we can
21 look into the ownership history and the, the
violations and everything so that we can see what's
going on and see if there is a nexus with the
legislation that we're considering.

1
2 Uh, but, you know, it does sound like there's,
3 there's some misunderstandings there, or maybe some,
4 some way that we can assist.

5 MICHELLE LYONS: Oh, I would truly appreciate that
6 because I didn't write— I wasn't prepared to write
7 anything down. I didn't know this is my first time
8 here Council, I, I, um, but I will be prepared the
9 next time, but I truly appreciate it.

10 CHAIRPERSON SANCHEZ: Yeah, no, no, no problem.
11 Thank you, thank you for your testimony and, and for
12 speaking about your, your case. It's a very important
13 one. So I wanna thank this, this panel for your time
14 and your testimony, and I, I look forward to
15 receiving your input in writing for those of you who
16 will. Thank you.

17 We will now turn to remote testimony. Once your
18 name is called, a member of our staff will unmute you
19 and the Sergeant at Arms will give you the go-ahead
20 to begin. Please wait for the Sergeant to announce
21 that you may begin before delivering your testimony.

Okay, if you are here and you wanna testify, you
must see the Sergeant and fill out a slip. Otherwise,
I don't know that you are here. Uh, you can speak
with the Counsel, the, the Attorney.

1
2 Okay, so we'll call you as soon as we receive
3 your slip, okay? Okay, moving to Zoom, Sammi
4 Aibinder. Aibinder. Sammi?

5 SERGEANT AT ARMS: You may begin.

6 SAMMI AIBINDER: Good afternoon. Thank you. I'm
7 Sammi Aibinder, a research and data analyst at Our
8 Bronx, formerly known as the Northwest Bronx
9 Community and Clergy Coalition. I want to speak to
10 the evidence around the alternative enforcement
11 program, AEP, which is currently the strongest
12 enforcement tool the city has, and why the Safer
13 Homes Act would ensure our city's most distressed
14 buildings actually get the improvements they need.

15 In particular, I would like to highlight that 188
16 buildings in the Bronx have been selected for AEP
17 more than once since the program started in 2007. In
18 other words, these buildings have been on the city's
19 radar before, and at some point their owners
20 apparently resolved their problems, or could make it
21 look like they did. 32 buildings in the Bronx that
are currently active in AEP have been selected for
and discharged from the program before.

Since 2022, HPD has litigated the owners of these
32 buildings 168 times, including 31 new housing

1 court cases last year. Just since October, tenants in
2 these buildings have issued over 500 reports of no
3 heat or hot water. These repeat AEP offenders show
4 that the current standard for owners to be released
5 from enforcement is too low. Curing violations to get
6 out of the program while unsafe and unhealthy
7 building conditions persist and current owners
8 continue to collect tenants' rent is not a real
9 solution.

10 Let's take a specific example. Our Bronx has been
11 organizing with tenants at 3336 Perry Avenue since
12 2023. Their building entered AEP in 2019, was
13 discharged in 2022, and just re-entered the program
14 this year. Tenants here have been left completely in
15 the dark while their current landlord, Abdul Khan,
16 who ranked 44th on the 2025 list of the 100 most
17 delinquent taxpayers in New York State, faces
18 foreclosure.

19 In 2024, Khan's bank flagged the building's code
20 violations as non-compliant with his mortgage terms.
21 Starting in June that year, he stopped making
payments on the loan entirely. Tenants have been
dealing with this negligence for years with no real
recourse.

1
2 The Safer Homes Act will make city enforcement
3 more effective for the tenants fighting to have their
4 rights recognized and their homes and families
5 protected. Thank you.

6 CHAIRPERSON SANCHEZ: Thank you. Thank you for
7 your testimony. Uh, Christopher Leon Johnson.

8 SERGEANT AT ARMS: Begin.

9 CHRISTOPHER LEON JOHNSON: Yeah, uh, hello, hello.
10 My name is Christopher Leon Johnson, and, um, I
11 support the bills on hand, but I wanna make this
12 clear that, um, as a Chair, Mrs Pierina Sanchez, uh,
13 we have to make sure that the tenants are protected
14 when it comes to programs like this. But I believe
15 that the City Council needs to step up and talk to-
16 tell to Zohran Mamdani to really start protecting,
17 um, the tenants of these, of these, of these units,
18 and to make sure that, uh, when it comes to
19 ideologies like COPA and TOPA, it only goes to
20 properties like this only. Where instead of- and the
21 thing about ownership is that how, like, people, they
understand everybody wanna own, but how you gonna own
when you got bad credit?

You know, I mean, that's the thing we need to
start- people that start bringing- talking about more

1 is our credit, credit, and credit, credit, credit.
2 Because what's the point of having everybody who
3 doesn't have great credit to own property where
4 they're gonna just— they're gonna foreclose on that,
5 on that, um, they're gonna default on that loan and
6 they're gonna be sucking more debt.

7 So you— we can talk about ownership and all we
8 want for these next 4 years under this
9 Administration, but where is the real financial
10 education when it comes to prepping people to get
11 into places like H— hmm, ah, HDFCs and co-ops and
12 condos and the, um, coming soon is COPA. What would
13 they call this thing? These COPA and TOPA in the
14 city. I know this gonna go through this time, but the
15 City Council going forward need to start having real
16 programs and start educating these same people that
17 they wanna target to start owning these properties
18 about building their credit and making sure their
19 bank accounts are straight, making sure their
20 financial history is clean. Um, They're in, they're
21 in the black and not in the red when it comes to
their finances.

1
2 So look, I understand, like I said, I, I, I
3 support the third-party transfer. I support
4 everything about—

5 SERGEANT AT ARMS: Thank you. Your time expired.

6 CHAIRPERSON SANCHEZ: Thank you, thank you so
7 much. Okay, we have an Annie Wilson on the Zoom, on
8 the Zoom, and ma'am in person, we're, we're going to
9 you next, okay? Right after we finish.

10 SERGEANT AT ARMS: You may begin.

11 ANNIE WILSON: Hi, thank you. I, I will be
12 submitting written testimony, and I understand the
13 need to protect people in buildings that are unsafe
14 due to violations and I believe that those should be
15 corrected. HPD should require all these corrections
16 whether or not there's financial default. It just
17 should be enforced.

18 These repairs should be enforced whatever the
19 situation and so regarding the various programs
20 mentioned in the bill, such as the various, um, ah,
21 let me look at my notes. I'm sorry, I'm tired.

The, um, monitors, the qualified buyers— the
qualified buyers page was removed from the HPD site
and it hadn't been really reviewed for 4, 5, 6 years.
What is the criteria for the qualified buyers in this

1
2 third-party transfer program? What is the criteria
3 for the monitors? As far as I'm concerned, in my
4 experience with UHAB, which I trusted, believed in,
5 and as co-founder of a cooperative since 1984, they
6 languished, promoted the deterioration of the
7 building. No repairs began until after 13 years in
8 the program.

9 We were relocated. I wasn't allowed to return to
10 my apartment, and they wouldn't let me know that they
11 gave it to Rosario Dawson, a multi-million dollar
12 movie star's uncle from Texas and then they took me
13 to court.

14 Well, I'm part of the vulnerable people. I came
15 to New York as an artist, early '80s.

16 SERGEANT AT ARMS: Thank you, your time expired.

17 ANNIE WILSON: And I, um-

18 CHAIRPERSON SANCHEZ: Thank you, thank you, Annie.
19 And, uh, heard we're getting a lot of feedback on the
20 post-transfer process, so really appreciate that
21 feedback. Andrew Chariot.

SERGEANT AT ARMS: You may begin.

CHAIRPERSON SANCHEZ: Noel Amari.

SERGEANT AT ARMS: You may begin.

CHAIRPERSON SANCHEZ: Norma Hines.

1 SERGEANT AT ARMS: You may begin.

2 CHAIRPERSON SANCHEZ: Okay, coming back to
3 in-person testimony, Karen Greenwood, Homeowner
4 Advocate.

5 KAREN GREENWOOD: Good afternoon, Madam Chair. Um,
6 I want to thank you for allowing me to give this
7 testimony today. My name is Karen Greenwood. Um, I
8 come before you as one of the many homeowner advocate
9 coalitions.

10 I have two questions for thought before I give my
11 pres- my testi- testimony. The first one is- um, as a
12 homeowner what would you do if your home was
13 wrongfully invaded by the police due to felony
14 larceny?

15 The second one is, if you could understand the
16 homeowner being attacked by the police, meaning the
17 ICE tactics that they use to remove you from your
18 home, which we look at it as a hate crime because
19 it's a systemically design that has been happening to
20 Black and Brown homeowners. And I would like to know,
21 is it possible to consider the Know Your Rights Act
for the homeowners. So, those are the two that I
would like the City Council to consider.

1
2 Now, the presentation that I have here is a
3 follow up that I need to know what we're going to do
4 from the previous testimony that we did after the 22,
5 July 2019 hearing on the third-party transfer, TPT
6 Council members with Carnegie and Torres recommended
7 a moratorium suspension of the TPT based upon the
8 submitted testimony.

9 What has occurred since then, the increase in
10 designation of distressed buildings subject to
11 foreclosure, increase in findings of deed theft,
12 increase in elder abuse of homeowners fighting
13 foreclosure, loss of property, that would be the USC
14 1397.

15 Continued violations of civil and human rights
16 laws, USC 241. The Administrative code is 8107.
17 Continued housing discrimination, elder abuse through
18 deprivation of housing rights, USC 3601-3619. We have
19 a problem with Department of Finance, a
20 non-transparency for real estate mortgage fraud
21 homeowners who are experiencing foreclosure liens.
The only liens that is transparent is the tax liens.
We're requesting a FOIL, whatever information that we
can get to know why it is that our properties are in
foreclosure if we have already filed a complaint with

1
2 the AG, the Department of Finance, along with
3 officials- elected officials, the police department,
4 the DA, also needs to do their due diligence of
5 investigating these cases, that we do not end up in
6 litigations in the courts.

7 We have a problem as distressed victimized
8 homeowners, tenants, homeowner, condominium owners,
9 Mitchell Lama, um, real estate commercial property
10 owners, such as with our deeds, the title, insurance,
11 that is in question, that how is it Department of
12 Finance till this day have not had any kind of alert
13 system when we report, ah, um, fraud upon our
14 properties.

15 We have an issue to say the lack of enforcement
16 from laws, lack of enforcement from even making sure
17 that there's a budget with the state and the City
18 Council. We need money in order to help the
19 homeowners and tenants with legal defense.

20 It hasn't been there for what, 20 years. We need
21 this right away. You have the attorneys who are
filing defective, ah, ah, fraud documents in the
courts. You have referees who have presented over and
over again fraud documents, padded fees.

1
2 CHAIRPERSON SANCHEZ: Thank— thank you, Ms.
3 Greenwood. Um, we're at time for you, but do you
4 wanna conclude? Summarize?

5 KAREN GREENWOOD: No, I would like to just finish
6 up if you don't mind. I'm not, I'm not done. I'm,
7 I'm—

8 CHAIRPERSON SANCHEZ: Okay, but your time has
9 expired, So if you could just wrap it up, if you can
10 summarize it.

11 KAREN GREENWOOD: Well, I'm trying to, just like
12 everybody else, if I'm able to do so.

13 CHAIRPERSON SANCHEZ: I have to say it.
14 Procedurally, I have to say it.

15 KAREN GREENWOOD: I got you. Okay, thank you.
16 Thank you very much. Um, so we have auctions.
17 Bankruptcy, that is an issue. Um, financially, our
18 homeowners are well distressed, emotionally,
19 mentally. We're placed in shelters. Um, children
20 right now are experiencing a lot of problems, uh, um,
21 with functioning in school due to the fact that
they're displaced from their homes and placed in in
the shelters, uh, on the street. Homeowners are
wrongfully arrested. Um, and we also have issues with
the, um, the claims of abandonment to say that the

1
2 properties are abandoned, which they call zombie
3 properties.

4 So non-traditional practices of displacing
5 homeowners again, evicting them, putting us— placing
6 us in housing court when we are homeowners.

7 What are we doing in housing court? For the life
8 of me, we do not understand. These things have been
9 happening since the time of when we've been giving
10 our testimony for, what, 8 years. The police
11 commissioner has not acknowledged that we need her
12 assistance for cease and desist from the police
13 department coming on our properties and wrongfully
14 evicting us and arresting us, physically abusing us
15 as well, and putting us in jail. That's a lot of
16 trauma. That's a lot of inhumane, uh, ah, treatment.

17 Black and brown homeowners are not a priority in
18 New York City. The only priority is the real estate
19 board. That is the only priority as we see it. And
20 I'm gonna say this. This is a normalized stemming—
21 stemming of, of, of racism at its best. You have
securitized bonds, trustees redlining.

22 This is a concern and we need to know where do we
23 go from here, because every single politician I see
24 have sat here, they left. All the homeowners has went

1
2 to their office and asked them for help. All we hear
3 is that there are bills being passed, but there is
4 nothing enforced.

5 As we leave here today, we're still gonna end up
6 in the courts fighting on our own without— lack of
7 attorneys, which again we should not be in any
8 courts.

9 Emotionally, I want you to put yourself in that
10 position with your families. As a, a beloved friend
11 of mine always said, karma don't forget an address.

12 CHAIRPERSON SANCHEZ: Okay, thank you so much for
13 your testimony. I just do wanna share with you that a
14 couple of my colleagues, um, Council Member Ossé in
15 particular, uh, is really taking up the mantle of
16 protecting, uh, Black homeownership and homeownership
17 in communities of color.

18 He's really fighting hard against deed theft and
19 trying to move changes both at the state and at the
20 city, right? Because at the end of the day, policy
21 for, for this works in different levels of
government, right? And it all works together. I know
it's frustrating, but we're in a democracy, right? If
I had the power to unilaterally change anything, I
wouldn't be sitting here for 10 hours listening to

1
2 the public and trying to convince my colleagues. We
3 have to work within the system until we have a new
4 one.

4 KAREN GREENWOOD: I'm gonna say to you-

5 CHAIRPERSON SANCHEZ: I'm sorry, I'm, I'm just
6 gonna- just to conclude that thought, I just want,
7 want to certainly highlight and uplift Council Member
8 Ossé and Council Member Nurse and Council Member
9 Sylvia Brooks-Powers, who are working on this on
10 these issues, and, you know, I certainly support
11 them, and if you could look into what they're doing,
12 um, I think that, that would be very helpful.

12 And this bill before us today exempts
13 owner-occupied 1 to 3 family- 1 to- 1 to 3 family
14 homes, right? So we're conscious and cognizant of
15 the, the harms of the past. We're trying to- we're
16 trying to work around that and focus this legislation
17 on other properties. I just wanted to state that out
18 loud.

17 KAREN GREENWOOD: I appreciate that, and I need a
18 311 unit right now as we speak for real estate
19 mortgage fraud that we'd be able to call in, because
20 when you call in and make a report, it is, it is
21

1 nullified. No one even acknowledges it, so we have
2 nowhere to go.

3 So I'm asking for that, and I'm asking for the
4 task force. Everyone claims they don't have any
5 money, the governor, she vetoed the HOPP program. She
6 didn't, she didn't make sure that we have money. So
7 I'm just confused. So the AG, she has our cases and
8 people are still losing their homes.

9 CHAIRPERSON SANCHEZ: Okay, I'm sorry, that is a
10 little bit off topic for today's hearing but again,
11 I, I wanna make sure we circle up with my colleagues
12 who are working on the mortgage fraud and the deep
13 theft issues that you're talking about, okay.

14 So I'm sorry, we do have to- have to conclude
15 here, but thank you for your participation.

16 KAREN GREENWOOD: I understand. I'm just like,
17 every time we come to these hearings, we're still
18 worried and we're still being pushed out of our homes
19 and the police commissioner's ignoring us.

20 CHAIRPERSON SANCHEZ: Thank you. Thank you, Miss
21 Greenwood. I, uh, thank you for your time. Thank you.

22 KAREN GREENWOOD: I'm serious. I'm serious. We do
23 not want to be here. It's normal for you to always
24 take from us. Off our backs. I'm here, I'm here, I

1
2 pay taxes, I'm retired. Give me one second. I'm
3 retired and I, I, I shouldn't be going through this
4 stress. Oh, give this to, um, the Madam Chair and the
5 gentleman.

6 CHAIRPERSON SANCHEZ: Thank you, thank you, Miss
7 Greenwood.

8 KAREN GREENWOOD: Thank you so much.

9 CHAIRPERSON SANCHEZ: All right, um, we'll, we'll
10 try to get your contact information so we can stay in
11 touch and, as I promised, connect everybody, okay.
12 All right, Miss Greenwood, thank you. You're out of
13 order. You are out of order. Thank you. This is a
14 public proceeding.

15 All right, if we have inadvertently missed anyone
16 additional that has registered to testify today and
17 has yet to be called, please use the Zoom raise hand
18 function if you are testifying remotely, and you will
19 be called in the order that your hand has been
20 raised. If you are testifying in person, please speak
21 to the Sergeants to fill out a slip.

Um, and we do see the raised hand for Ms. Wilson,
but you have already testified and we— your, your
time expired, so thank you. You can submit any

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

additional commentary over, uh, over
testimony.council@council.nyc.gov.

Seeing no new additional participants, I will now
close the hearing. Thank you to the members of the
Administration and the members of the public who have
joined us today, this hearing is adjourned. [GAVEL]

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21

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 May 4, 2026